

1865,

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TRADE WITH REBELLIOUS STATES.

[To accompany bill H. R. No. 805.]

MARCH 1, 1865.—Ordered to be printed, with testimony taken and to be taken.

MARCH 3, 1865.—Ordered, That ten thousand extra copies be printed for the use of the House.

Mr. E. B. WASHBURNE, from the Committee on Commerce, made the following

REPORT.

The Committee on Commerce of both houses of Congress, acting as a joint committee, charged with the investigation of the subject of trade with the rebellious States, submit the following report:

On the twentieth day of January last, the House of Representatives directed its Committee on Commerce to inquire into the truth of the report that one G. W. Lane, of Baltimore, in the State of Maryland, had received a permit to go to North Carolina and exchange provisions with the rebels for cotton, and report whether there was any authority vested in the Treasury Department to give the right to any one to furnish the rebels with supplies from our lines; and if not, to report such a bill or resolution as would bring the guilty to justice, and protect the interests of the government.

On the 25th day of the said month of January, the House, by another resolution, directed the Committee on Commerce to further inquire into all the facts and circumstances connected with the trade with the rebellious States since the breaking out of the rebellion, whether by permit from the Treasury Department, or otherwise. The committee were thus armed with authority for the fullest investigation of the whole subject of trade with the rebellious States. On the sixth of February, eighteen hundred and sixty-five, the House passed a concurrent resolution, which was agreed to by the Senate on the following day, providing that the Committee on Commerce on the part of the Senate be joined to the Committee on Commerce on the part of the House, in the investigations in which said committee on the part of the House were then engaged under the resolutions of the House of January twentieth and twenty-fifth, in regard to trade with States in rebellion.

The investigation of the subjects committed to the committee has opened up so broad a field of inquiry, and has required the taking of such a mass of testimony, as to render it impossible, with all the diligence they have been able to exercise, to conclude the investigation and have the evidence written out and the full report, on the matters involved, prepared at a sufficiently early day to secure such action on the subject as Congress may deem proper to take before the expiration of its present term. They ask leave, therefore, to submit this as a preliminary and partial report, containing the conclusions arrived at by them from the investigation they have thus far been able to make.

It is the judgment of your committee that the trade which has been carried on with the insurrectionary States since the breaking out of the rebellion, apparently

under the sanction of law, has been of no real benefit to our government ; but, on the other hand, has inflicted very great injury upon the public service. It has induced a spirit of speculation and plunder among the people, who have entered into a disgraceful scramble for wealth during a time of war, waged to save the life of the nation, and has fed that greed of gain which must wound the public morals. It has tended to the demoralization and corruption of the army and navy by the exhibition of the vast rewards which have accrued from this trade and from the temptation and bribery with which they have been constantly assailed. It is believed to have led to the prolongation of the war, and to have cost the country thousands of lives and millions upon millions of treasure.

The object of the existing laws has been almost entirely evaded. The testimony before the committee discloses the shameless and treasonable character of the trade which has been carried on within the rebel lines with rebel agents, and for the use of rebel armies. The amount of supplies necessary for the support of rebel armies which, under the cover of this trade, has been sent through the rebel lines at New Orleans, Memphis, Norfolk, and other places, almost surpasses belief. Negotiations have been entered into, and correspondence carried on, by citizens of the United States with rebel agents to deliver for the rebel government provisions and other necessary articles to sustain the rebel armies, in return for cotton.

Your committee have had no opportunity to examine, to any considerable extent, into what has been done under the regulations of the Treasury Department, since the passage of the act of July 2, 1864, except so far as relates to contracts entered into by Hanson A. Risley, an agent authorized to purchase the products of insurrectionary States, at Norfolk, Va., but who has been located in Washington. By a statement sent from the Treasury Department to the Senate, it appears that this agent, from November 4, 1864, to January 24, 1865, made contracts with sixty-one persons to purchase over 930,000 bales of cotton. How many bales of cotton have been contracted for, or purchased, by agents at New Orleans, Memphis, Nashville, Beaufort, Port Royal, and Pensacola, has not yet been ascertained ; but probably not less than 2,000,000 of bales.

The action of this agent at Washington seems to have been characterized by much irregularity and carelessness, though nothing has appeared to challenge the official integrity of Mr. Risley. There seems to have been no system governing the making of these contracts, and no uniformity in the requirements necessary to obtain them. Some parties made affidavits that they owned and controlled products in insurrectionary States ; others made application in writing ; others made verbal application ; and no particular kind of proof seems to have been required that the parties were loyal and responsible men, acting honestly and in good faith.

Persons holding office under the government of the United States appear as contractors. Contracts, certificates, and Presidential orders have been materially altered and changed. It is in proof that orders of the President have been altered without his knowledge or consent.

Immense contracts have been made with particular individuals, in the propriety of some of which, at least, the committee are not able to concur. They have failed to become satisfied with the contracts made with several parties, and particularly with that made with Samuel Noble, for the enormous amount of 250,000 bales of cotton, it appearing that this Mr. Noble was recently from the rebel States, and that no sufficient evidence was required or received of his loyalty, honesty, and good faith, or that he either "owned or controlled" this very large number of bales of cotton. And it may be here stated, that, in the judgment of the committee, it was never contemplated by the existing laws, or by the regulations under them, that such vast contracts were to be given out to such a small and peculiar class of persons, and in the manner which has been allowed. In many other cases besides that of Noble there was the same want

of evidence in regard to the ownership and control of cotton, and it is apparent that in most instances these contracts were made with parties who neither owned nor controlled products in insurrectionary States, but who obtained the contracts, certificates and executive orders for the purpose of speculation. Nor were your committee satisfied in relation to the contract with Wilson, Gibson & Co., for one hundred thousand bales of cotton. It is in evidence before them, that for the purpose of part payment of this amount of cotton the parties have some time since shipped from the city of New York two vessel-loads of supplies, and among such supplies a large amount of articles necessary to the support of armies. Meats, to the value of thirty-four thousand dollars, formed a part of these cargoes.

Your committee cannot, in this preliminary and partial report, extend their comments upon the nature, character and effect of this trade. They believe the natural result of it will be to prolong the struggle in which we are engaged, by furnishing to the rebels articles which are indispensable to them in keeping up their armies. The closing of their ports through which they have been enabled, heretofore, to receive supplies from abroad, must make the pressure for this particular trade vastly greater than ever before.

If it be not the policy of the government to carry on trade with the people with whom it is at war, to feed an army and fight it at the same time, or to keep up a trade for the benefit of individuals, in too many instances corrupt, unprincipled and disloyal, it will change the existing provisions of law. The judgment to which your committee have arrived is sustained by the opinion of all the military men which have come within their knowledge. Your committee know the opinions of Lieutenant General Grant and Major General Sherman upon this subject. Major General Canby, who has been in command at New Orleans, and who has had the largest opportunities for observation, states in a communication to the Secretary of War, that if this trade be carried on in the manner and to the extent claimed by the speculators who now control it, its inevitable result, in his judgment, would be to add strength and efficiency to the rebel army east and west of the Mississippi, equivalent to an addition of fifty thousand men, and would stimulate into active opposition to the successful prosecution of our operations at least ten thousand men within our own lines; that cotton speculators in the Mississippi valley have a prospective, and hope to have an actual interest in every bale of cotton within the rebel lines. They know that expeditions in the enemy's country are followed with the capture of cotton, or its destruction by the rebels to prevent its falling into our hands; hence, it is to their interest to give information to the rebels of every contemplated movement. He states, further, that he has never sent an expedition into the enemy's lines without finding agents of this character in communication with the rebels, giving them information regarding our movements, and that nearly every expedition has been foiled to some extent in some of its objects by information so communicated.

He also states that he has in his possession papers in relation to contracts made with English houses in Mobile for the exportation of two hundred thousand bales by the way of New Orleans, and that the conditions of the sale require the payments to be made in supplies, in gold, or in foreign exchange, and that the net profits of these transactions were estimated at ten millions of dollars.

He further states that the rebel armies east and west of the Mississippi river have been mainly supplied for the last twelve months by the unlawful trade carried on on that river, and that the city of New Orleans, since its occupation by our forces, has contributed more to the support of the rebel armies, and to the purchase and equipment of privateers that are preying upon our commerce, as well as to maintain the credit of the rebel government in Europe, than any port in the country, with the single exception of Wilmington.

General Canby says that he makes these statements in order to convey to

the Secretary of War his own opinion of our actual condition, of the embarrassment under which all military operations must be conducted, and to express the hope that if the future operations of the troops in his command should fail to meet the just expectations of the Secretary, the circumstances should be considered by which their usefulness and efficiency were impaired.

He does not doubt that many persons engaged in the purchase of the products of insurrectionary districts are loyal and honorable men, but he does "know that many of the intermediary agents employed are rebels or unprincipled men, actuated only by the instincts of gain; but the licenses allowed to the first class give countenance and opportunity to a far more numerous class who follow in the track of the army, traffic in its blood, and barter the cause for which it is fighting, with all the baseness of Judas Iscariot, but without his remorse."

To what has been said by General Canby the committee desire to add the testimony of Brigadier General Gordon, a distinguished officer, who has been in service since the commencement of the war, a good part of the time on the lower Mississippi and at New Orleans, and who is now engaged on a military commission at Norfolk, investigating this subject of trade with rebellious States. He says in his testimony, that from his observation during the war, and from the best testimony in the investigation he is making at Norfolk on the subject of trade, he is of the opinion that its continuance is simply to supply the rebel army with subsistence; that it is of no earthly service to the United States, but an irreparable injury, and that it does but little if any good to the inhabitants for whose benefit, to a certain extent, it has been authorized.

These opinions of military men, which have been referred to, have been fully confirmed by the opinion of naval officers whose testimony has been had.

The committee recommend the repeal of the eighth section of the act approved July 2, 1864, which authorized the Secretary of the Treasury, with the approval of the President, to appoint agents to purchase for the United States any products of States declared to be in insurrection, with a proviso saving the rights of all parties where actual purchase and delivery of such products have been made by such agents. Congress contemplated the purchase of such products, that the same should be forwarded for markets and paid for out of the sales effected. It is obvious that a provision should be made to save the rights of the government and seller when the contract for the purchase has been consummated and delivery of the products made to the agent.

These licenses or permits given by the agents to persons not owners or sellers of such products, to enter the States in insurrection to bring out such products, are not deemed entitled to be considered as contracts of sale within the meaning of the act, are obnoxious to the mischief imputed to the traffic, and are not of a character to require especial protection.

The committee therefore recommend the passage of the accompanying bill.

TESTIMONY.

WEDNESDAY, January 25, 1865.

Members present :

Representatives.
Mr. WASHBURN, chairman;
LONGYEAR,
ELLIOT.

Representatives.
Mr. PERRY
WARD,

JOHN W. HOGG called, sworn, and examined.

By the chairman :

1. Please state whether you occupy an official position under the government, and if so, what position?

I occupy the position of corresponding clerk in the office of the Secretary of the Navy.

2. State whether you have any, and if so, what knowledge of the subject referred to in the following printed paragraph :

"In December last, G. N. Lane, of Baltimore, obtained a permit from H. A. Risley, chief agent of the treasury, to take a cargo of provisions on the small steamer Philadelphia, from Baltimore to Plymouth, N. C., via the Chesapeake and Albemarle canal, for the purpose of exchanging for cotton which Lane had bargained for, he claiming the right to deliver the goods at the point where he received the cotton. He proceeded direct to Franklin, without reporting at Plymouth. At Franklin he took on board 257 bales of cotton, and on his return the steamer and cotton were seized by Captain Brooke, of the gunboat Valley City, which was stationed at the mouth of the river for that purpose by order of Commander Macomb, who claims the steamer and cargo under the circumstances, as a naval prize. Lane is retained as a prisoner of war?"

I know nothing further in regard to the matter than is stated in the official report to the Navy Department of Commander Macomb, under date of January 4, 1865, which is as follows :

"U. S. S. SHAMROCK, DISTRICT OF THE SOUNDS OF NORTH CAROLINA,

"Plymouth, January 4, 1865

"SIR : I wish to protest, in the strongest terms, against the manner in which certain parties, under cover of the treasury regulations, are supplying the rebel armies.

"It appears there is a clause in the 'Treasury Regulations for Commercial Interchange,' &c., which permits any one bringing out cotton, tobacco, &c., to take in return supplies and merchandise, to the amount of one-third of the value of the products brought out. This law is a mistake. Under no circumstances should supplies be allowed to pass without our lines. I seized the other day a schooner, with a cargo of every kind of contraband articles, valued at nearly \$7,000, which was on its way directly into the enemy's lines, and there is very little doubt that most of it will go to feed the armies against which we are fighting.

"I respectfully request that you will refer this matter to the Treasury Department, and have a stop put to this manner of assisting our enemies.

"I shall send a duplicate of this to the admiral. My reasons for making this report direct to the department are, that the parties engaged in this business will probably make complaints at Washington of my seizure of their property, and I wish my reasons to be known. The schooner, the Georgia, is still here, awaiting directions from the admiral.

"A steamer, called the Philadelphia, with a large cargo, said to have the proper treasury permits, signed by General Shepley, &c., ran up the Chowan river the other night, and is said to have gone to Franklin, Va., to sell her cargo. On her way up a guard of rebel soldiers was placed on board her, to take her up in safety.

"I am, sir, very respectfully, your obedient servant,

"W. H. MACOMB,

"Commander, Commanding District Sounds North Atlantic Squadron.

"Hon. GIDEON WELLES,

"Secretary of the Navy."

I also submit to the committee another letter from Commander Macomb, on the same subject, dated January 7, 1865, which is as follows :

"U. S. S. SHAMROCK, DISTRICT OF THE SOUNDS OF NORTH CAROLINA,

"Plymouth, N. C., January 7, 1865.

"SIR: I have this day received from Rear Admiral D. D. Porter the department's General Order No. 42, in relation to the late executive order in regard to the trade with the rebellious States.

"My letter of the 5th (4th) instant was written before the receipt of that order, and at a time when I found that it was being abused by certain parties who took advantage of it to carry large quantities of supplies into a part of the country in the immediate possession of the enemy. I need not say that the above order will be carried out by me, especially that part which forbids contraband of war from being taken into the enemy's country.

"Very respectfully, your obedient servant,

"W. H. MACOMB,

"Commander, Commanding District Sounds North Atlantic Squadron

"Hon. GIDEON WELLES,

"Secretary of the Navy."

The following is the order referred to in the letter last submitted :

"General order, }
"No. 42. }

"NAVY DEPARTMENT,

"December 1, 1864.

"The attention of the commanding officers of squadrons, flotillas, and vessels of the navy, employed on blockade duty, or in the Mississippi river, or other inland waters in the vicinity of the insurrectionary States, is required to the executive order hereto annexed, dated September 24, 1864, and they will adopt such measures as may be necessary to insure the strict observance of the order by those under their command.

"The forms of certificates referred to in paragraphs III and IV of the executive order, are also annexed hereto.

"GIDEON WELLES,

"Secretary of the Navy.

"Executive order relative to the purchase of products of insurrectionary States.

"EXECUTIVE MANSION, September 24, 1864.

"I. Congress having authorized the purchase for the United States of the products of States declared in insurrection, and the Secretary of the Treasury having designated New Orleans, Memphis, Nashville, Pensacola, Port Royal, Beaufort, N. C., and Norfolk, as places of purchase, and, with my approval, appointed agents, and made regulations under which such products may be purchased, therefore—

"II. All persons, except such as may be in the civil, military, or naval service of the government, having in their possession any products of States, or parts of States, declared in insurrection, which said agents are authorized to purchase, and all persons owning or controlling such products therein, and which have not been captured or abandoned within the meaning of the act of July 2, 1864, concerning captured and abandoned property, are authorized to convey such products to either of the places which have been hereby, or may hereafter be, designated as places of purchase, and such products, so destined, shall not be subject to detention, seizure, or forfeiture, while in transitu or in store awaiting transportation.

"III. Any person having the certificate of a purchasing agent as prescribed by Treasury Regulation VIII, is authorized to pass, with the necessary means of transportation, to the points named in said certificate, and to return therefrom with the products required for the fulfilment of the stipulations set forth in said certificate.

"IV. Any person having sold and delivered to a purchasing agent any products of an insurrectionary State, in accordance with the regulations in relation thereto, and having in his possession a certificate setting forth the fact of such purchase and sale, the character and quantity of products, and the aggregate amount paid therefor, as prescribed by Regulation IX, shall be permitted by the military authority commanding at the place of sale, to purchase from any authorized dealer at such place, or any place in a loyal State, merchandise and other articles not contraband of war, nor prohibited by order of the War Department, to an amount not exceeding in value one-third the aggregate value of the products sold by him, as certified by the agent purchasing; and the merchandise and other articles so purchased may be transported by the same route, and to the same places, by and from which the products sold and delivered reached the purchasing agent, as set forth in the certificate; and such merchandise and other articles shall have safe conduct, and shall not be subject to detention, seizure, or forfeiture, while being transported to the places, and by the route, set forth in the said certificate.

"V. Generals commanding military districts, and commandants of military posts and detachments, and officers commanding fleets, flotillas, and gunboats, will give safe conduct to persons and products, merchandise, and other articles duly authorized as aforesaid, not contraband of war, or prohibited by order of the War Department, or by the orders of such generals commanding, or other duly authorized military or naval officer, made in pursuance hereof; and all persons hindering or preventing such safe conduct of persons or property will be deemed guilty of a military offence and punished accordingly.

"VI. Any person transporting, or attempting to transport, any merchandise or other articles, except in pursuance of regulations of the Secretary of the Treasury, dated July 29, 1864, or in pursuance of this order, or transporting, or attempting to transport, any merchandise or other articles contraband of war, or forbidden by any order of the War Department, will be deemed guilty of a military offence and punished accordingly; and all products of insurrectionary States found in transitu to any other person or place than a purchasing agent and a designated place of purchase, shall be seized and forfeited to the United States, except such as may be moving to a loyal State under duly authorized permits of a proper officer of the Treasury Department, as prescribed by Regulation XXXVIII, concerning commercial intercourse, dated July 29, 1864, or such as may have been found abandoned or has been captured and are moving in pursuance of the act of March 12, 1863.

"VII. No military or naval officer of the United States, or person in the military or naval service, nor any civil officer, except such as are appointed for that purpose, shall engage in trade or traffic in the products of the insurrectionary States, or furnish transportation therefore, under pain of being deemed guilty of unlawfully trading with the enemy, and punished accordingly.

"VIII. The Secretary of War will make such general orders or regulations as will insure the proper observance and execution of this order; and the Secretary of the Navy will give instructions to officers commanding fleets, flotillas, and gunboats, in conformity therewith.

"ABRAHAM LINCOLN."

"FORM No. 1.

"——, ——, 186—.

"I, ——, agent for the purchase of products of insurrectionary States on behalf of the government of the United States at ——, do hereby certify that I have agreed to purchase from ——, of ——, which products it is represented are, or will be, at ——, in the county of ——, in the State of ——, on the —— day of ——, 186—, and which he stipulates shall be delivered to me, unless prevented from so doing by the authorities of the United States, ——.

"I therefore request safe conduct for the said —— and his means of transportation and said products from —— to ——, where the products so transported are to be sold and delivered to me under the stipulation referred to above and pursuant to regulations prescribed by the Secretary of the Treasury.

"——.

FORM No II.

"——, ——, 186—."

"I, ——, agent for the purchase of products of insurrectionary States on behalf of the government of the United States at ——, do hereby certify that I have purchased of ——, of ——, at \$—— per ——, and that there has been paid him for the same \$——, and that the said —— was transported from —— by way of ——.

"——."

3. What further took place in regard to the matter?

This letter from Commander Macomb was referred to the Secretary of the Treasury by the Secretary of the Navy, and his attention was called to the statement therein contained. The subject-matter of the first letter of Commander Macomb was submitted to the Secretary of the Treasury by the following letter, which is herewith presented to the committee:

"NAVY DEPARTMENT, *January 12, 1865.*

"SIR: I have the honor to submit for your perusal two communications this day received, one from Commander Macomb, at Plymouth, N. C.; the other, with accompanying papers, from Acting Rear-Admiral Lee, commanding the Mississippi squadron. Each relating to

transactions under the treasury regulations, and the operations which, in the opinion and judgment of these officers and others, are working a serious public injury.

"I will thank you to return the communications after having perused them.

"Very respectfully,

"GIDEON WELLES, *Secretary.*

"Hon. WM. P. FESSENDEN,

"*Secretary of the Treasury.*"

In answer to this communication to the Secretary of the Treasury, the Secretary of the Navy received a letter, which I also submit to the committee, as follows :

"TREASURY DEPARTMENT, *January 20, 1865.*

"SIR : I have the honor to acknowledge the receipt of your letter of the 12th instant, covering communications from Commander W. H. Macomb, dated Plymouth, January 4, 1865, and Rear Admiral S. P. Lee, dated Chickasaw, Miss., January 1, 1865, 'each relating to transactions under the treasury regulations, and the operations which, in the opinion and judgment of these officers and others, are working a serious public injury.'

"I am somewhat surprised at the tenor of these and other communications relating to the same subject.

"Permit me to call your attention to the several regulations issued by this department, under the law governing commercial intercourse with insurrectionary States, and the purchase of products of such States.

"Section 3, page 11, of the General Regulations governing commercial intercourse, issued by this department on the 29th July, 1864, in pursuance of the act of 2d July last, prescribes that 'commercial intercourse with localities *beyond* the lines of actual military occupation by the United States forces is absolutely prohibited; and no permit will be granted for the transportation of any property to any place under the control of insurgents against the United States.'

"Section 4, which relates to the transportation of merchandise to places *within* the lines of military occupation, authorized by law for the purpose of 'supplying the necessities of loyal persons residing in insurrectionary States within the lines of occupation by the military forces of the United States, as indicated by the published order of the commanding general of the department or district so occupied,' directs each supervising special agent to confer with the commander of the department, and agree with him in writing as to the place, or places, within those lines in his agency, to which supplies may be taken for the loyal residents therein.

"By Regulation V, at places agreed upon by them, as above, supply stores are authorized, but this regulation limits the amount to be taken to any such supply store to \$3,000 per month, unless the commanding general of the district, for military reasons, requests it to be larger; in which case the officers of this department are to be governed by the request of such military commander.

"All subsequent regulations governing commercial intercourse are framed merely to carry out these general principles.

"The 8th section of the act of July 2, 1864, relating to commercial intercourse, provides for the appointment of agents, to purchase for the United States any products of States declared in insurrection at such places therein as shall be designated by the Secretary of the Treasury, with the approval of the President. Places have been designated and agents appointed in accordance therewith, and regulations prescribed for the purchase of such products, copies of which are enclosed. To these regulations I ask your especial attention. They contain no authority for the agents of this department to issue any permits for the transportation of goods, either within or beyond the military lines of the United States forces, nor have other or additional instructions affecting this point been given to any of the agents of this department. I am therefore surprised at the assertion of Commander Macomb, that there is a clause in the treasury regulations for commercial intercourse, 'which permits any one bringing out cotton, tobacco, &c., to take in return supplies and merchandise to the amount of one-third of the value of the products brought out;' and at the further assertion, that 'a steamer called the Philadelphia, with a large cargo, said to have the proper treasury permits, signed by *General Shepley, &c.*, ran up the Chowan river.'

"In view of the manifest ignorance of the treasury regulations evinced by these officers, and the loose manner in which they characterize transactions presumed to be under military authority as transactions under '*Treasury Regulations*,' I venture to suggest the propriety of calling their attention, by special instructions from your department, to the several treasury regulations in force, and of directing them, before reporting transactions as under treasury regulations, to ascertain, specifically, whether boats, vessels, or merchandise, when found moving within or beyond the lines of military occupation, are so moving

under treasury or military authority; and if under treasury permits, to please specify the character thereof, and the name of the officer granting them.

"If so granted by treasury agents, they are in violation of the regulations of this department, and on information thereof the proper corrective will be promptly applied. Due deference to the orders of the military and naval authorities is enjoined upon all the officers of this department; and I deem it essential to the harmonious operations of the government that the military and naval officers should inform themselves, at least to a reasonable extent, of the laws and regulations under and by virtue of which the commercial intercourse between loyal and insurrectionary States is regulated.

"I transmit herewith copies of the various regulations referred to, and, as requested, return the communications transmitted by you.

"I am, very respectfully, your obedient servant,

"W. P. FESSENDEN,
"Secretary of the Treasury."

Accompanying this letter were copies of the treasury regulations referred to, which I submit to the committee.

4. What reply, if any, was made by the Secretary of the Navy to the letter of the Secretary of the Treasury you have just presented?

The Secretary of the Navy replied under date of 23d January, 1865, as follows:

"NAVY DEPARTMENT, *January 23, 1865.*

"SIR: Referring to your letter of the 20th instant, relative to trade in the insurgent States, I have the honor to submit herewith a draft of a letter which it is proposed to send to the commanders of the different squadrons. Any suggestions you may be pleased to make will be considered.

Very respectfully,

"GIDEON WELLS,
"Secretary of the Navy."

"HON. W. P. FESSENDEN,
"Secretary of the Treasury."

5. Have you the draft of instructions referred to in this letter?
I have. It is as follows:

"A letter from the Secretary of the Treasury in reference to trade with, and in States in insurrection, under date of January 20, says, that the regulations issued under the authority of the act of Congress of July 2, 1864, 'contain no authority for the agents of this (Treasury) Department, to issue any permits for the transportation of goods either within or beyond the military lines of the United States forces, nor have other or additional instructions affecting this point been given to any of the agents of this department.'

"You will therefore rigidly enforce the blockade, preventing all goods from entering the military lines or going beyond them, under cover of a permit issued by a treasury agent, reporting to this department all attempts to violate this order, including a copy of the permit, name of vessel, owner of boat, cargo, &c.

"A copy of this letter will be forwarded to each of the vessels in your squadron."

6. Have you any further knowledge of permits to trade with rebel States other than you have stated?

There was a transaction some months since, in which the same parties were concerned, and also the same vessels with permits, issued, I believe, by the commander at Fort Monroe, approved by the President of the United States.

7. That has no reference, however, to the transaction referred to in the opening of your examination?

No; it is another and a different transaction.

8. Do you know what has become of this schooner which Commander Macomb seized a few days before writing his letter?

No, sir; I do not. I find no official report on the subject other than the bare mention of it in that letter.

9. And you have no knowledge of what direction has been given in regard to the "Georgia?"

No direction has been given by the Navy Department, and we have received no communication from the admiral on the subject.

10. Have you any knowledge in regard to the "Philadelphia" which is spoken of by Commander Macomb?

No, sir.

11. Where is Commander Macomb at the present time?

He is at Plymouth, I believe.

SATURDAY, January 28, 1865.

Members present :

Representatives.
Mr. WASHBURN, chairman ;
WARD,
LONGYEAR.

Representatives.
Mr. ELIOT,
DIXON,

JOHN W. HOGG recalled, and examined.

By the chairman :

12. Since you were last before the committee, their authority has been extended into other and farther transactions connected with the trade with the rebellious States. I will now ask you to state to the committee if you have any further knowledge of transactions connected with such trade ; and if so, be good enough to state fully and particularly in relation thereto ?

An effort was made in June, 1864, to carry on trade with the sounds of North Carolina, by G. W. Lane, with the tug Philadelphia. It was arrested by orders of the Navy Department. I present to the committee the official correspondence connected with this transaction, as a part of my testimony. The documents which I present are original documents and correct copies, which I bring from the Navy Department.

The documents presented by witness are as follows :

"Series 2, }
No. 317. }

"FLAG-SHIP, NORTH ATLANTIC BLOCKADING SQUADRON,
"James River, Virginia, June 20, 1864.

"SIR : I transmit enclosed a communication from Captain Smith, of 15th instant, (1,) with its enclosures, viz : Copy of a letter from General Butler to the President of the United States, dated March 19, recommending that G. W. Lane be allowed to take a cargo of ploughs, &c., to Chowan county, North Carolina, on which the President's approval is indorsed ; and copy of a permit from General Butler to G. W. Lane, dated May 4, to trade as recommended ; (2,) my answer, dated 19th instant, to Captain Smith's letter ; and (3,) letter from Captain Smith of 15th instant, stating that the copy of the President's approval was omitted on the letter from General Butler, and giving a copy of it.

"I have the honor to be, sir, very respectfully,

"S. P. LEE,

"Acting Rear-Admiral, Commanding North American Blockading Squadron

"Hon. GIDEON WELLES,
"Secretary of the Navy "

"No 36.]

"U. S. STEAMER MATTABESITT,
"Off Roanoke Island, June 15, 1864.

"SIR : The steam-tug Philadelphia, of Baltimore, I find here on my arrival, with an assorted cargo, and permits from General Butler, indorsed by the President of the United States, to trade with loyal citizens in Chowan county.

"These permits were granted on the 19th of March last, and before the capture of Plymouth ; and although there are many loyal persons residing at Edenton, the port to which the steamer proposes to go, and our navy vessels are lying off that place, I do not consider that this county is within our lines, and have detained her to await your instructions.

"There are many articles on the manifest that would afford comfort to the enemy if not properly distributed, viz : Dry goods, groceries, and 15 barrels of whiskey, but I cannot send a copy of the manifest as the mail-boat is about leaving.

"Mr. Lane, the master and owner of the steamer, has \$45,000 in North and South Carolina current funds, and \$5,000 in greenbacks for the purchase of cotton.

"I enclose herewith copies of the most important papers governing the movements of the steamer.

"Very respectfully, your obedient servant,

MELANCTON SMITH,

"Captain and Senior Officer in Sounds of North Carolina."

A. R. Admiral S. P. LEE,
Commanding N. A. B. Squadron.

"HEADQUARTERS EIGHTEENTH ARMY CORPS,
"DEPARTMENT OF VIRGINIA AND NORTH CAROLINA,
"Fortress Monroe, March 19, 1864.

"SIR : I have the honor to state that I believe the public interests will be promoted if George W. Lane, esq. shall have permission to go with, through the Currituck canal and

Albemarle sound to Chowan county, North Carolina, with cargoes of ploughs, harrows, trace-chains, ropes, twine, and such supplies as cannot be of use to an army, and to bring back return cargoes of cotton, tobacco, and other products of the country, all to be subject at all times to military supervision at this post.

"I have evidence of Mr. Lane's loyalty and trustworthiness.

"I have the honor to be, very respectfully, your obedient servant,

"BENJAMIN F. BUTLER,

"Major General Commanding.

"His Excellency ABRAHAM LINCOLN,

"President of the United States."

[Indorsed.

"I approve the object of the within.

"A. LINCOLN.

"MARCH 31, 1864."

"HEADQUARTERS EIGHTEENTH ARMY CORPS,
"DEPARTMENT OF VIRGINIA AND NORTH CAROLINA,
"Fortress Monroe, May 4, 1864.

"George W. Lane, esq, has permission to pass through the Currituck canal and Albemarle sound, in Chowan county, North Carolina, with a cargo of ploughs, harrows, trace-chains, ropes, twine, and such supplies as cannot be of use to an army, and to bring back a return cargo of cotton, tobacco, and other products of the country.

"This permit is given on the express condition of forfeiture of goods if found in any way affording aid or comfort to the enemy, except by trading with peaceable inhabitants in goods not contraband of war or of use to the army.

"BENJAMIN F. BUTLER,

"Major General, Commanding."

"FLAGSHIP MALVERN,

"James River, June 18, 1864.

"SIR: Your No. 36, of the 15th, is just received. The President's permit to Mr. Lane must be respected. The papers will be forwarded to the department.

"Very respectfully, yours,

"S. P. LEE, Acting Rear Admiral,

"Commanding North Atlantic Blockading Squadron.

"Captain M. SMITH,

"Senior Naval Officer in the Sounds of North Carolina."

"No 37.]

"U. S. S. MATTABESSETT,

"Off Roanoke Island, June 15, 1864.

"SIR: In my hurry to get my despatch, No. 36, of to-day's date off in the mail, I omitted to put the following indorsement on the copy of the letter of General Butler to the President of the United States, dated March 19, 1864, viz:

"I approve the object of the within.

"A. LINCOLN."

"MARCH 21, 1864.

"Will you be pleased to have the above indorsement made upon that letter.

"Very respectfully,

"MELANCTON SMITH,

"Captain and Senior Officer in Sounds of North Carolina.

"Acting Rear Admiral S. P. LEE,

"Commanding N. A. B. Squadron."

[Telegram.]

"NAVY DEPARTMENT, June 24, 1864.

"Send immediately to the senior officer in the Sounds of North Carolina an order forbidding George W. Lane to trade in Chowan county with the tug Philadelphia.

"GIDEON WELLES,

"Secretary of the Navy.

"Captain GUERT GANESVOORT,

"Senior Officer, Hampton Roads, Virginia."

"NAVY DEPARTMENT, *June 24, 1865.*

"SIR: I have received your No. 347, dated the 20th instant, enclosing papers relative to the permit given Mr. George W. Lane to trade in Chowan county, North Carolina, with the tug Philadelphia

"The department has telegraphed Captain Ganesvoort to send immediately to the senior officer in the sounds an order forbidding George W. Lane to trade in Chowan county with the tug Philadelphia

"Very respectfully, &c.,

"GIDEON WELLES,
"Secretary of the Navy.

"Acting Rear-Admiral S. P. LEE,
"Commanding N. A. B. Squadron."

WAR DEPARTMENT,
Office United States Military Telegraph.

"The following telegram received at Washington, 5.10 p. m., *July 2, 1864.*

"FROM FORT MONROE, *July 2, 1864.*

"Immediately upon receipt of department's telegram of June 24, I sent a boat with an order to Captain Smith to stop Mr. Lane from trading in Chowan county. Captain Smith informs me that upon receipt of your order he stopped him.

"GUERT GANSEVOORT,
"Captain, Senior Officer.

"Hon. G. WELLES,
"Secretary of the Navy."

"Series 2, } "FLAG-SHIP NORTH ATLANTIC BLOCKADING SQUADRON,
No. 370. } "James River, *July 1, 1864.*

"SIR: The department's communication of 24th instant is received, informing me that an order had been sent forbidding G. W. Lane to trade in Chowan county.

"Captain Smith informs me, unofficially, under date of 23d ultimo, that he was visited by Mr. Heaton, the treasury agent at Newbern, who approved of his course in preventing Mr. Lane from trading within the enemy's lines, but afterwards reconsidered the matter, and granted permission under certain restrictions. The commanding general, on the 22d, visited Captain Smith and brought the enclosed permit, saying that he had indorsed it 'as coming from the commanding general of the department, but if the matter had been left discretionary it would not have received his sanction or approval.'

"Captain Smith informed Mr. Heaton that as the party had obtained his permit to sell outside of our lines, he had nothing further to do with the transaction.

"I have the honor to be, sir, very respectfully, yours,

"S. P. LEE,
"Acting Rear-Admiral, Commanding N. A. B. Squadron.

"Hon. GIDEON WELLES,
"Secretary of the Navy."

"Authority to sell under special permit from the President and Commanding General.

"Geo. W. Lane, esq., of Baltimore, Maryland, having exhibited at this office satisfactory evidence that he has the written approval of Major General Butler, commander of this department, and of the President of the United States, and also having filed a proper bond and taken the necessary oath, is hereby permitted to proceed up the Albermarle sound with a cargo of goods now on board the steamer Philadelphia, to a point in said sound at or near the United States fleet.

"The goods on board of said vessel are to be disposed of in conformity with the special authority granted by the President and the commanding general. A local treasury agent, appointed under the regulations of the Secretary of the Treasury, will be present when parties procure goods, and will give the proper permit and administer the necessary oaths.

"This authority is given upon condition that the said Geo. W. Lane shall at all times keep true accounts of all sales, with the name and residence of each purchaser, and the date and amount of every sale, and shall file and preserve all cancelled permits under which goods have been transported and copies of all permits under which sales have been made;

and that all books, invoices, accounts of sales, cancelled permits, and copies of permits shall at all times be open to inspection by the supervising or assistant special agents, under his direction.

"Given under my hand this 18th day of June, 1864.

"D. HEATON,

"Supervising Special Agent Treasury Department."

"A true copy of the original.

"D. HEATON,

"Agent Treasury Department."

Indorsement: "Forwarded to Admiral Lee.

"M. SMITH, *Captain.*"

"Series 2, }
No. 394. }

"FLAGSHIP, NORTH ATLANTIC BLOCKADING SQUADRON.

"Hampton Roads, Va., July 9.

"SIR: I transmit enclosed a letter from Commander Bankhead, United States steamer Otsego, with its two enclosures, reporting that G. W. Lane, with the steamer Philadelphia, while trading on the authority of a permit from General Butler, approved by the President of the United States, in Chowan county, had been discovered to be dealing with an agent of the rebel government, and furnishing supplies to the enemy. He was immediately sent to Roanoke island, and turned over to the provost marshal there.

"I have to-day sent to Commander Bankhead a copy of department's letter of 24th ultimo, advising me that Captain Gansevoort had been directed to send the senior officer in the sounds an order forbidding G. W. Lane to trade in Chowan county. This order was duly despatched by Captain Gansevoort by special messenger, but it would appear from Commander Bankhead's letter that he is not advised of it.

"I have the honor to be, sir, very respectfully, yours,

"S. P. LEE,

"Acting Rear-Admiral, Commanding N. A. B. Squadron."

"HON. GIDEON WELLES,
"Secretary of the Navy."

"UNITED STATES STEAMER OTSEGO,

"Albermarle Sound, N. C., July 5, 1864."

"SIR: During the absence of Captain Smith, senior officer commanding sounds of North Carolina, and on the 21st June, 1864, a small trading steamer named the Philadelphia, and apparently owned and commanded by a person of the name of Lane, arrived off Edenton. The said Lane came on board and reported himself as a trader, and produced permits from General Butler, indorsed by the President of the United States, and from General Palmer, commanding the military district, to trade with the people of Chowan county. He also reported 'that there was a custom-house agent on board, who was to see that the trading was carried on properly.' On the following day I received a letter from Captain Smith, (copy enclosed,) ordering me 'not to interfere with the treasury agent's permit for the Philadelphia to trade.' The steamer was allowed to anchor near the shore, and permission given to the said Lane to prosecute his trading.

"On the 27th June, I received a letter from the treasury agent, (copy enclosed,) informing me that the said Lane was trading directly with the agents of the so-called confederate government. Immediately upon the receipt of the report, I ordered the Philadelphia to steam off near the fleet, stop all trading, and remain there until the arrival of the commanding naval officer.

"Captain Smith having been relieved, and his successor, Commander Macomb, being still absent, I thought (upon consultation with General Palmer, who arrived here on the 30th June,) to send him down to Roanoke island, turning him over to the provost marshal.

"I would add, that General Palmer had the rebel agent brought before him who was said to have purchased the supplies, and who acknowledged the same.

"Respectfully, your obedient servant,

"J. P. BANKHEAD, *Commander.*

"Acting Rear-Admiral S. P. LEE,

"Commanding N. A. B. Squadron, Hampton Roads."

Forwarded :

W. H. MACOMB,
Commanding Senior Officer.

"UNITED STATES STEAMER MATTABESSETT,
Newbern, June 23, 1864.

"SIR: You will not interfere with the treasury agent's permit for the Philadelphia to trade in Chowan county.

"Very respectfully,

"MELANCTON SMITH,
Captain and Senior Officer in Sounds of North Carolina.

"Commander J. P. BANKHEAD,
Commanding United States Steamer Otsego."

"EDENTON BAY, NORTH CAROLINA,
June 27, 1864.

"SIR: After Mr. Lane obtained your permission to proceed near Edenton wharf to dispose of his goods to proper parties, in accordance with the trade regulations, on last Thursday night a lot of his goods were landed at the wharf at Edenton to a confederate government agent. I have good authority for saying Friday night some goods, or part of them were on their way to the confederate army, all of which was done without my permission.

"It is out of my power to carry out the trade regulations according to my instructions, and ask to be relieved from its duties on this occasion, and very respectfully ask if you will have Mr. Lane to report to you with steamer Philadelphia, that you in your good judgment can properly dispose of the case.

"The goods comprised bacon, coffee, sugar and whiskey.

"With high consideration, I am, truly your friend,

"E. H. WILLET,
Local Agent, Treasury Department.

"Captain J. P. BANKHEAD, *Commander.*"

"Series 2, }
 No. 402. }

"FLAG-SHIP MALVERN,
Hampton Roads, Virginia, July 11, 1864.

"SIR: Commander Macomb, senior officer in sounds of North Carolina, reports under date of 7th instant, that having been informed by the treasury agent at Roanoke Island, that R. Overman was trading with the rebels at Elizabeth City, and supplying the rebel army, he directed Lieutenant Commander Truxton, U. S. S. Tacony, to arrest the man and seize his goods, and will deliver him, with the goods, to the military and treasury authorities at Roanoke Island. Mr. Overman denied having dealings with the rebels; four barrels of whiskey were found among his stores, however, which renders the whole liable to confiscation.

"Commander Macomb asks if persons are to be allowed to trade without the military lines, and if so under what circumstances; there is great reason to suppose, he states, that some of these traders are engaged in smuggling and otherwise violating their permits. Since the department's order forbidding Mr. Lane to trade with the Philadelphia, Commander Macomb has stopped all such vessels.

"I enclose his two (2) communications on these subjects, dated 7th instant, and request instructions, if any are necessary, beyond those contained in the treasury regulations, with which I have furnished Commander Macomb.

"I have the honor to be, sir, very respectfully, yours,

"S. P. LEE.
Acting Rear-Admiral, commanding N. A. B. Squadron

"Hon. GIDEON WELLES,
Secretary of the Navy."

No. 2.

"U. S. S. SHAMROCK,
Albemarle Sound, June 7, 1864.

"SIR: Having received information from the special agent of the Treasury Department at Roanoke Island, that R. Overman was trading at Elizabeth City with rebel agents, I sent Lieutenant Commander Truxton, with the steamer Tacony, up the Pasquotank river, who by my orders arrested Mr. Overman, seized his goods, and brought him and them here.

"I shall deliver him over to the military and treasury authorities at Roanoke Island, together with the seized goods, although he denies having sold anything to the rebels.

"Four barrels of whiskey were found among his stores, which will render the whole of them liable to confiscation.

"Very respectfully, your obedient servant,

"W. H. MACOMB.

"*Commander and Senior Officer of Sounds of North-Carolina.*

"Acting Rear Admiral S. P. LEE,

"*Commanding N. A. B. Squadron, Hampton Roads, Va.*"

No. 5.

"U. S. S. SHAMROCK,

"*Albemarle Sound, June 7, 1864.*

"SIR: I respectfully request to be informed whether persons are to be allowed to trade without the military lines in this State, and if so, under what circumstances.

"Since the order from the Secretary of the Navy stopping the trading of the tug Philadelphia, I have thought it my duty to stop all such vessels, as Mr. Lane's (captain of Philadelphia) permit was signed by the President of the United States, and several persons in high authority, both civil and military.

"Moreover, there is great reason to suppose that some of these men are engaged in smuggling, and in other ways violating their permits.

"I am, sir, very respectfully,

"W. H. MACOMB,

"*Commander and Senior Officer in Sounds of North Carolina.*

"Acting Rear-Admiral S. P. LEE,

"*Commanding N. A. B. Squadron, Hampton Roads, Va.*"

"NAVY DEPARTMENT, July 13, 1864.

"SIR: I have received your No 402, enclosing communications from Commander Macomb, senior officer in the sounds, in reference to trade without the military lines.

"I know of no authority that transcends the law and regulations on the subject. No trading is to be permitted except in strict conformity with law, instructions, and trade regulations.

"Very respectfully, &c.,

"GIDEON WELLES,

"*Secretary of the Navy.*"

"Acting Rear-Admiral S. P. LEE,

"*Commanding N. A. B. Squadron.*"

"NAVY DEPARTMENT, August 6, 1864.

"SIR: I transmit, herewith, a copy of a letter dated the 24th ultimo, addressed by F. J. Stokes, esq., to the Secretary of State, and referred to this department respecting the steamer 'Philadelphia,' lately on a trading expedition in the sounds, and those concerned in her. This vessel has several times been brought to the attention of the department; her voyage, traffic, and proceedings appear to be illicit and have never had the approval or countenance of this department.

"Very respectfully, &c.,

"GIDEON WELLES.

"*Secretary of the Navy.*

"Acting Rear-Admiral S. P. LEE,

"*Commanding N. A. B. Squadron, Beaufort, North Carolina.*"

"WASHINGTON, D. C., July 24, 1864.

"SIR: I would respectfully invite your attention to the following facts, showing evidence of fraud on the part of government officials in connexion with other parties, viz: A. M. Whitlock, J. H. Lane, and A. M. White, of Baltimore, Mr. Hoffman, custom-house. Baltimore, Mr. Risley, custom-house bureau, Treasury Department, and Major Moss, secret agent, Treasury Department, Norfolk, Virginia.

"The steamer Philadelphia, of Baltimore, has been seized by the Navy Department, at Newburn, North Carolina, for trading with the enemy; efforts are now being made by J. H. Lane to have the vessel released. The provost marshal of Baltimore took possession of her clearance, and all papers belonging to her, on the 13th of April. On the night of the 14th I was informed Mr. Hoffman granted them a new set of papers, unknown to the provost marshal. The seizure of the steamer was caused by the crew reporting the object of

the parties, viz: Trading with the enemy. She left Baltimore at night, proceeded to Fortress Monroe, where she laid six or seven weeks, and then proceeded to Newburn, North Carolina, where the seizure was made. The permit was granted to A. M. Whitlock, (a refugee from Virginia, and formerly acting in the capacity of scout for the government,) to trade in North Carolina, or on the coast, in cotton, tobacco, &c. It was given by Mr. Risley, of the Treasury Department. The steamer cleared with a cargo consisting of ploughs, dry goods, salt, sugar, molasses, and concentrated lye, valued at about ten thousand dollars, and while the steamer was lying at Fortress Monroe, A. M. Whitlock was purchasing goods, and sending them from Baltimore, and putting them on board the steamer.

"The steamer Philadelphia was purchased by J. H. Lane for eleven thousand dollars, for the business before stated. A. M. White, who was formerly confined in the old capitol for defrauding the government, and was compelled to refund a large amount of money, advanced thirty-five thousand dollars to carry on the trade, also giving security for one hundred thousand dollars against trading unlawfully.

"J. H. Lane, the principal actor, went to North Carolina, and purchased cotton for sixteen cents per pound, also a large lot of tobacco; this was previous to the vessel obtaining a clearance. I am informed that Major Moss informed J. H. Lane where the cotton (six hundred bales) was to be obtained, arrangements having been made with Lane that the profits of the trip were to be equally divided among the parties above mentioned.

"John McIntosh, of Baltimore, formerly of Washington, D. C., can substantiate the above facts, as he assisted the above parties in procuring their permits.

"C. D. Lord, No. 336 E street, Washington, D. C., can also substantiate some of the above charges.

"I have the honor to be your most obedient servant,

"F. J. STOKES.

"No. 483 11th street, Washington, D. C.

"Hon. WILLIAM H. SEWARD, *Secretary of State.*"

No. 18.

"UNITED STATES STEAMER SHAMROCK,

"*Albemarle Sound, July 25, 1864.*

"SIR: I have to acknowledge the receipt from you of a copy of the order of the Secretary of the Navy, stopping the trading of the steamer Philadelphia.

"Your letter, enclosing the Secretary's order, was addressed to Commander Bankhead, and in it you mention that you had sent the same order before, but you supposed it had not been received.

"The first order was received, however, and the Philadelphia seized in the latter part of June, the same day as the departure from the sounds of Captain Smith, or the day after, and was turned over to General Palmer.

"Very respectfully, your obedient servant,

"W. H. MACOMB,

"*Commander and Senior Officer, Sounds, North Carolina.*

"Acting Rear-Admiral S. P. LEE."

Indorsed: "Respectfully forwarded to Navy Department for the information referring to department's letter of 6th instant.

"S. P. LEE,

"*Acting Rear-Admiral, Com'g N. A. B. Squadron.*"

13. Do you know anything further in relation to this matter than what may be gathered from these documents?

I do not.

CHARLES GOULD called, sworn, and examined.

By the chairman:

14. State to the committee your residence and occupation.

My residence is New York city; I have no special occupation.

15. Have you been at any time or in any way, since the breaking out of the rebellion, connected with the trade with the rebellious States?

To a little extent, at one time, I was.

16. To what extent? In what articles did you deal, and with what parties were the transactions made?

About a year ago, if my memory serves me right, a person by the name of Morrill called on me, who stated that he held some office under the government, in Florida, and

requested me to join him and others in the purchase of cotton in Florida, and the shipment of it to New York. A Mr. Stickney, at one time, came with him, and he seemed to be interested in the operation. For one specific lot of cotton I made a kind of provisional contract with these parties; but I never was called on to advance any money, nor do I know that the thing ever produced any practical results.

17. Do I understand you that the transaction is at an end, or that it is still going on?

I suppose it is entirely at an end; I do not know that the parties are carrying it on at all.

18. What were the details about your arrangements with these parties?

I cannot now recollect what they were; I was to have some interest in the profits, if I did certain things. About the last of August, I think it was, I saw Mr. Morrill, just before he was going to start for Florida with Mr. Stickney. Mr. Stickney complained that I had not done my part of the business. I said "Very well, I will have nothing more to do with it; I do not like it at any rate, and am perfectly willing to give up my interest in the matter."

19. What were the things you were to do?

I can answer that question better by getting from New York the original agreement, which I will furnish, to be incorporated as a part of my testimony. I should say that what I was to do, was probably to make some advances of money and to attend to the sale of the cotton if any was shipped to New York, but I very soon made up my mind that I did not want to have anything to do with it, and to let it alone.

20. Did you make any advances in money?

Not a dollar.

21. What other knowledge have you about this Mr. Morrill, except that he was an office-holder?

None at all. I never saw him before nor since.

22. What were the inducements that he held out to you?

The inducements were that his friend Stickney, Judge Stickney, I think he called him, knew where certain cotton was concealed that could be brought out and purchased at a very low price.

23. Do you know what office this Mr. Morrill held?

I do not, though he named it at the time. I do not recollect what it was. You will observe that the whole thing has not made much impression on my mind. I did not pay much attention to it.

24. I understand, then, that the agreement you made with these parties was never carried out?

Never carried out on my part.

25. Do you know what further was done on the part of Mr. Morrill and Mr. Stickney?

No, I do not. I believe they went off to Florida some time late in the summer, or early in the fall, of last year, and I have not heard from them directly or indirectly since.

By Mr. Ward:

26. Do you know anything about Mr. Morrill's locality or residence?

No, I do not. I think it was somewhere down in Florida. If I am not mistaken, he was either district attorney or agent of the Treasury Department, and that Judge Stickney had charge of some court down there in Florida.

27. Do you know where?

It must have been somewhere near Fernandina.

28. Did these parties present any passes or permits to warrant their entering into these arrangements?

Mr. Morrill came to me, in the first place, with a letter of introduction. I cannot tell who it was from, some gentleman I knew very well. I do not think they ever showed me any such papers. They said they were going to get permits and passes to trade, but I do not think they ever showed them to me. They may have showed me once passage permits authorizing quartermasters to give them transportation; I do not think they went further.

29. Can you produce that letter of introduction?

I think I can find it, and if so, I will send it to the committee.

By the chairman:

30. Have you a knowledge of any other transactions touching trade with the rebellious States, if so, be good enough to state fully and particularly all you know in relation thereto?

I have no positive knowledge, but a good deal of general information, that I will be happy to give to the committee. In October or November last I was waited on by a gentleman of the name of Wells, who has been engaged in transportation in New York. He has also been superintendent, and probably a large owner of the Brunswick railroad,

in Georgia. He and a man by the name of Livingston, who represents himself as a citizen of Florida, or southern Georgia, living almost on the line, and who is marked by having lost three fingers of the left hand, came to me in New York. Livingston stated that he had lately been in Richmond; that he was on good terms with the rebel authorities and the officers of the rebel army; that he knew of not less than 200,000 bales of cotton concealed in various places in pits in the ground, and in the depths of woods, which he could get, bring out and buy at a very low price. He proposed that we should buy one large steamer, and one small one as a tender, and send out to Florida, or to Brunswick, as the case might be; the small steamer to go up the rivers and bring down the cotton to the large one. He wanted a capital of \$500,000 raised, fifty per cent. of which was to be paid in cash, and the balance at some subsequent time. He said they had made arrangements with a banking house, whose name he mentioned, but which I have forgotten. It is a new concern in New York, with which Noah L. Wilson, formerly of Marietta, Ohio, is connected, on the east side of Broadway, just below Wall street. They were to be the bankers of the concern. A man by the name of Howland, I think, was to be one of the parties in interest; a Mr. Story, of Little Falls, and quite a number of other gentlemen, whose names I forget, were to be connected with it. Mr. Livingston explained the profit that was to be made by the transaction; that the profits on the whole transaction would be something like \$10,000,000 to the parties who paid in the money. He and his friends—and he had a great many friends down there—were to have half the profits, and the parties who advanced the money the other half. Here is a little memorandum which he happened to make in my office on a scrap of paper lying on my table, showing the manner in which the profits were figured up:

" 1 bale of cotton, weight 400 pounds, at 25 cents per pound	\$100 00
" Value at New York quotations.....	500 00
" Government discount	125 00
" Net value	375 00
" Amount of provisions allowed to be carried in	125 00
" \$125 invested in bacon, at 22 cents per pound, 568 pounds of bacon, at \$6 confederate money.....	3,408 00
" \$3,408 invested in cotton, 2,272 pounds cotton, at \$1 25.....	2,728 50
" Government discount	682 12
" Net value	2,046 38
" Surplus added.....	250 00
<hr/>	
" Total.....	2,296 38
" Less \$100.....	2,196 38
<hr/>	

I declined to go into the operation, though urged very much thereto. Last week, on Tuesday, I came here from New York. On Wednesday evening I met Mr. Wells and Mr. Livingston in the hall at Willard's hotel, where they were stopping. They stated to me that the \$500,000 had been subscribed, and that fifty per cent. of the amount had been paid in to their bankers; that they had their papers all right for going on with their purchase, and that they intended to leave for New York the next day. I asked Mr. Wells, the next morning, to show me the pass that he had. He had a permit to trade in some locality which I do not now recollect, written on a sheet of paper and signed by Mr. Lincoln, the President. He had also a pass, signed by Mr. Lincoln, on a rather full-size visiting card, very fully directing him to be passed along by quartermasters, military commanders, &c. He stated that it was the pass given to secret agents of the government, and would unquestionably carry him wherever he wanted to go. I said to him I was a little suspicious about his pass accomplishing his object. He argued it at some length. I said I did not wish to argue it, but he had better go to the War Department and find out whether it was all straight. In the evening I found that he was still in the city. He told me he had been to the War Department, but could not get their indorsement, but that he had sent for some friends at the north who, he thought, would succeed in carrying it through; that he had sent for Mr. Evarts, Judge Pierpont, and Thurlow Weed, and that they were coming to help him through with his pass. On Saturday he told me Mr. Evarts and Judge Pierpont had arrived. On Sunday morning last Mr. Weed arrived. On Tuesday night of this week he told me that his papers were all right, and that he and Mr. Livingston were going on. I have understood that they did leave for New York.

31. What did you understand him to mean when he said he had got his papers all right?

I suppose that they were indorsed properly by the War Department.

32. Did he show his papers?

Not subsequently.

33. What was his avowed object in leaving the city?

Mr. Livingston intended to go down to Brunswick as soon as possible.

34. How did they propose to go down? Did you understand they had purchased their steamers?

They told me they had purchased one steamer, a small one; the large steamer they had given up the idea of purchasing.

35. Can you state anything further in relation to this company, as to the individuals composing it or interested in it?

I cannot. I do not know any of the other parties, and did not hear any other names.

36. Do you know of any other or further transactions connected with the trade of the rebellious States since the breaking out of the rebellion? If so, state fully and particularly in relation thereto, so far as the same is within your knowledge or belief?

Of my own knowledge I can state nothing further.

JACOB W. BROWN called, sworn, and examined.

By the chairman:

37. What is your residence and occupation?

My residence since the war has been Adrian, Michigan. I have been in the army as Captain company B, 14th Ohio volunteers, from the commencement of the war up to 1864.

38. On what duty were you while you were in the army?

In the first of the war, I was in command of my company for fourteen months. After that, I was with Major General Thomas until the siege of Vicksburg; after that I was with General Loan.

39. In what capacity?

I was provost marshal under General Thomas and aid to General Loan. Since that time I have been at Chattanooga, Tennessee, on the military railroad.

40. Have you any knowledge of the manner in which trade is carried on with the rebellious States?

Yes, sir; I have been intimately connected with the matter during the war, especially while I was provost marshal, I had a great deal to do with it.

41. Do you know of any transactions connected with such trade?

I could not speak of particular transactions. As a general rule, I could give you the results of my experience.

42. Please give to the committee the results of your knowledge derived from your experience in the service?

My own judgment from my experience is, that as the trade has been carried on, it has proved detrimental to the interests of the government and detrimental to the success of our arms.

43. In what manner has it been detrimental to the interests of the government and to the success of our arms?

By granting permits to individuals to go inside the enemy's lines and sell goods and bring out cotton.

44. Do you know of any such permits having been given to any persons, and if so, to whom?

I have seen the permits themselves, and have known parties pass inside the enemy's lines on them.

45. Please state the names of such parties and the times when such trade has been carried on?

There are quite a number of parties at Memphis. I mention the firm of W. J. Keen & Co.

46. Who compose the firm and where do they reside?

I do not know who compose the firm. They reside at Memphis, Tenn.

47. To what extent were they engaged in trade with the rebellious States?

I should suppose very heavily. I only know what I have heard. I know of their getting out a great deal of cotton.

48. What did they give in return for the cotton they brought out?

I suppose a general assortment of goods. Whatever was most needed by the parties they got their cotton from.

49. What would a general assortment consist of, for the most part?

Cotton cloth, boots and shoes, clothing, and perhaps luxuries of almost every description.

50. Do you know of any goods contraband of war having been taken into the rebel lines?

I do not. They have not been taken in on permits from the government, of course. Parties have endeavored to smuggle them in without permits.

51. To what extent do you think, from your knowledge of the trade that has been carried on, have the articles of boots and shoes, clothing, and other articles useful to the rebel army, gone through the rebel lines?

To a very great extent, I suppose : not clothing intended for the rebel army, but which finds its way there because its necessities are greater than those of the citizens.

52. Have you been stationed at Memphis at any time ?

Two years ago this winter, I was stationed there for about six weeks during the winter. In the summer I was for about six or seven months with General Grant's army before Vicksburg, down to the fall of Vicksburg.

53. From the best of your knowledge and belief derived from your service in that country, to what extent has this trade been carried on ?

To a very great extent. I could not approximate at all to the amount in dollars and cents. Most of the cotton coming from the south through the Mississippi valley has been obtained for goods or has been stolen from rebel owners.

By Mr. Ward :

54. Have you any knowledge as to the manner of the removal of this cotton ?

I suppose, in a great many cases, in this way : a man is acquainted in some locality in the south ; he goes down there and finds these parties who are willing to take their cotton to a place for getting it within the federal lines to deliver it ; they usually bring it to some convenient place on the river, sufficiently concealed to be out of the reach of the gunboats, so that they will not capture it for the government. They then represent to the government agents that they own a certain quantity of cotton in the south, and get permits to go there and bring it out. These obtained, they take down goods and bring the cotton out.

55. Do not the troops sometimes aid in bringing out the cotton after it reaches our lines ?

Yes, sir. I have known a great many instances where our troops have seized the cotton and turned it over to the government ; I have known other cases where they have been used to assist individuals in bringing out their cotton.

56. Do you know of any instances where officers have received considerations for rendering such services ?

I do not.

57. But the army has been used nevertheless, to aid private individuals in their speculations ?

Yes, sir ; in many instances generals in command, considering the great need there was for cotton in the country, have allowed their troops to be so used.

58. Have you seized and turned over cotton to the government ; and if so, in what quantity ?

I suppose I have seized and turned over between six and seven thousand bales of cotton to the government.

59. Do you know of the proceeds of the sale of this cotton having been realized by the government ?

I do not. I know of many individual instances where the cotton so seized and turned over has been claimed by speculators and eventually released to them.

60. When you seize cotton, what is the usual way of turning it over to the government ?

I usually turned it over to the quartermaster at the headquarters where I belonged. My business was to forage for the army, and where I would find a lot of cotton I would take it and turn it over with cattle, mules, or anything I might have captured. I generally turned it over to the post quartermaster.

61. Will you mention any of the posts where you so turned over cotton ?

I will mention Lake Providence, at that time the headquarters of the 17th army corps.

62. Do you remember any other points ?

I delivered a good deal of it direct to Memphis.

63. Do you remember the names of any of the quartermasters to whom you turned over cotton ?

I will mention Captain John G. Clinck, who was chief quartermaster under General McPherson. From his hands it would go to the quartermaster at Memphis, where parties would appear and make their claims for it. If loyalty and ownership was proven satisfactorily, it would generally be released on the parties paying the expense incurred by the government.

64. Do you recollect the names of any quartermasters to whom you turned over cotton ?

I recollect Captain Williams. It was a systematic course in all the corps. It would first be turned over to the division quartermaster, he receipting for it, then to the corps quartermaster, who would in turn receipt for it, and would turn it over to the post quartermaster at Memphis. Now, the system is entirely different ; now, the cotton goes directly to the Treasury Department, which, through its agents, takes charge of it. The quartermasters have very little to do with it, except when it is seized directly in the front of the army.

By the chairman:

65. Do you know of any other transactions of this nature of which you can speak?
I have known of hundreds of these cases, but they are all alike.

66. Would you have the committee to understand that, in your judgment, the whole course of this trade has been injurious to the public service and demoralizing to the army?
I think it has. It creates a system of abuses: it encourages a large number of army followers, who watch their opportunity to make money.

67. Does that desire extend no further than to the army followers? Does it extend to the army itself sometimes?

I have no doubt it does.

68. I understand you to say that you have been engaged on the United States military railroads. Did you ever know cotton to be brought out by military railroad?

Yes, constantly, under permits from the general commanding, and from the Treasury Department. General Thomas, however, in the last six or eight months, would not allow it to be brought over the military railroad. If they brought it out, they had to bring it by wagon. From the time the army started from Chattanooga until it reached Atlanta no cotton whatever was allowed to be brought on the railroad.

By Mr. Ward:

69. You cannot mention particular instances, as I understand you; you only speak of general impressions?

That is all. For instance Tuscumbia, Florence, or Corinth is captured. You allow half a dozen of these people to go there and take goods to the amount of so many thousand dollars' worth a month. When they get there, and the country is open, they will go just as much further as the people choose to take them.

70. Who are these permits granted by?

By the Treasury Department, under a law passed giving them the right to regulate this trade.

TUESDAY, *January 31, 1865.*

Members present:

Representatives.

Mr. WASHBURN, chairman;
WARD,
LONGYEAR.

Representatives.

Mr. ELIOT,
PERRY,

J. H. MADDOX called, sworn, and examined.

By the chairman:

71. Please state your residence?

I am residing in Baltimore now.

72. What is your business?

Up to within the last four months I have been a farmer; I am doing nothing now.

73. What has been your occupation during the last four years?

Farming, sir.

74. Entirely?

Yes, sir.

75. Have you, since the breaking out of the rebellion, been in trade with States in the rebellion?

Yes, sir.

76. Please state what you know about trade being carried on by any persons, with permits or contracts with the government?

I know of no trade carried on with permit. I saw an application of that kind to General Butler for a permit to trade in North Carolina and Virginia, indorsed by General Butler.

77. Given to whom?

The application was made by N. T. Spear, and on the back of the application was an endorsement by General Butler, in which he speaks of the enterprise as a laudable one.

78. What was the enterprise?

It was to take merchandise into the States of Virginia and North Carolina, and exchange them for tobacco, cotton, turpentine, and other articles. I have a copy of it, made by a notary.

79. Can you produce that copy?

I will send it to the committee.

80. How came you in possession of it?

I have several permits from the government to bring out tobacco, but under the law I am not permitted to take anything in until I had brought something out; but the authorities at Richmond would not permit anything to come out until its equivalent in other articles had been brought in. I had a large quantity of tobacco there which I had bought while I was in Richmond, and which I was desirous of bringing out. This party said he could furnish me with the necessary permit to take in produce or merchandise so that I could commence trade, and bring out my tobacco.

81. Did he furnish you with a permit?

No, sir, he did not. I furnished the invoices and he started to see General Butler, but for some reason the permit was not obtained.

82. For what reason?

I think he (Spear) was not satisfied with the bargain he had made with me.

83. What bargain?

By which I was to pay him so much money.

84. How much money were you to give him for the permit?

Ten thousand dollars.

85. Did you pay him any money?

No, sir; there is where we split. I told him that I would not pay him any money until he had complied with his agreement; he wanted the money down.

86. For what amounts were these permits?

The first invoice was between six and ten thousand dollars, in United States currency.

87. Then, that was to be the first of a series of adventures?

Yes, sir. I had a contract with him, which, I think, was to end on the first of April.

88. Have you that contract; and if so, will you present it to the committee?

I haven't it with me. I think I have it somewhere, and if I find it, I will bring it to the committee.

By Mr. Eliot:

89. Have you made any other agreements besides the ones you made with Mr. Spear?

Yes, sir. I had a contract with parties, under government permits given in accordance with law. I have been urging upon the department for the last two years and a half the propriety of granting permits sufficiently guarded to trade in this manner. I think it would be very advantageous for the government to do so; the permits, of course, to be only in the hands of loyal parties.

90. Did I understand you to say that you were to give ten thousand dollars for these permits from Mr. Spear?

Yes, sir. I did not care for General Butler's permit, after the first introduction of the merchandise, because, under the ordinary government permits, having once started the trade and brought out cotton or tobacco, I would be permitted to carry back, upon the second venture, merchandise to the amount of one-third the gross proceeds of the products brought out.

91. That, you say, was last July. How did it become necessary for you to make contracts to pay money, when acting under the direction of the government, or for the government?

When I was acting for the government I made no contracts at all; I was taken on a government transport and landed on the Virginia shore.

92. Then, this business transaction you had with Mr. Spear was on private account?

Yes; this was since I have given up going for the government. I obtained a permit from the proper authority to trade with the south; that is, in the products of the south.

93. On your own account?

Yes, sir; and the reason why I wanted this special permit to take in merchandise was, that they will not allow anything to be taken out until something has been carried in.

94. How many times have you had transactions of this description since you ceased acting for the government?

I have had none except under the direction of the government. While I was acting under the direction of the government, I purchased a large quantity of tobacco. I was inside the rebel lines for nearly twelve months, and purchased this tobacco at that time. I had the privilege of bringing it out, but I addressed a letter to the War Department for the proper papers to pass the flotilla; I did not get these papers. The party who took the letter, instead of taking it to the War Department, gave it to General Hincks, at Point Lookout, who sent over there and seized my tobacco. He used a good deal of it. The Secretary of War released the tobacco immediately—what there was left of it.

95. Where was that tobacco?

It was in Westmoreland county, Virginia.

96. Within the rebel lines at the time?

You might say it was neutral ground; it was on the northern neck, this side the Rappahannock. The federal troops have nearly all the time held possession of that strip.

97. How did you come by the tobacco?

I had money and laid it out in tobacco. I was permitted, when I went to Richmond, to trade. I had property down there which I sold and invested the proceeds in tobacco. I was in Richmond before the battle of Chancellorsville, and shortly before that battle returned again and remained eight or ten months.

(Witness was directed to again come before the committee some day this week, and bring with him all papers and memoranda, relative to the trade with the rebellious States, in his possession.)

JOHN R. WINSLOW called, sworn, and examined.

By the chairman :

98. Please state your residence and business.

I reside in Baltimore; I am a physician.

99. How long have you resided in Baltimore?

I have been there 13 years.

100. What State are you a native of?

I am a native of North Carolina, where I resided until I came to Baltimore.

101. What part of North Carolina?

The eastern end of the State, about 70 miles south of Norfolk.

102. What county?

Perquimous county, near the town of Edenton.

103. Will you state to the committee if you have any knowledge of the trade which has been carried on with the rebel States since the breaking out of the rebellion; if so, be good enough to state fully and particularly all the facts and circumstances connected with such trade, the parties by whom it was carried on, when, to what extent, and by whose authority?

I have been down to my old home to visit my father and brother twice during the war. I was at my old residence by permission of our authorities, to visit my relations in 1862, and again in 1863. When I was first there, there was little or no contraband trade carried on. In fact there was very little trade at that time, with Norfolk, permitted. Three or four months afterward, in the early part of 1863, I was again sent for to see my brother, who was ill. There was then a good deal of contraband trade carried on. I was anxious to get out from Norfolk to see my brother. I found a good many of my old neighbors, with streams of carts and wagons, at Norfolk, going out, but I was unable to employ any of them even to let me ride out. I did get one man who was a connexion of mine to permit me to ride with him. I suppose there were twenty or more of those carts or wagons in that stream or caravan which went out as we did from Norfolk, and they were all heavily loaded with merchandise, which went straight to the rebel lines.

104. State what kind of merchandise these carts were loaded with.

There was a good deal of it I knew nothing about. They had groceries. There was one article I noticed a large quantity of, this concentrated lye, very extensively used to make soap of. They carried groceries, provisions, and hardware—so far as I knew what they carried. I did not ascertain what a good many of them were loaded with. That was their character—general supplies. There were no arms or ammunition or anything of that kind that I am aware of. I learned on the way that a good many of them went without unloading straight to the river Chowan, which was considered the boundary line, and passed directly across. When I came back to Norfolk, I went to General Viele, then in command at Norfolk, and reported these facts to him. I told him there was a good deal of contraband trade being carried on, and I gave him all the information I could procure bearing on that subject. I do not know with what effect, for he was removed not very long after. Salt was another article which was carried in those trains. They told me in that region that there was one or more stores in Norfolk which it was claimed (I do not know anything about that) many of the authorities were interested in, and at which they could always obtain permission to buy these articles, paying for them more than was asked at other stores, but it was with very great difficulty, if at all, that permission could be obtained to buy at the other stores.

105. How was that accounted for?

It was supposed there was some sort of collusion between this store or these stores and the military authorities.

106. Do you know the names of any of the parties who kept these stores?

No, sir; I did not have any direct transactions with them. Perhaps I may remember before I get through, a man from Edenton who was a partner or upper clerk in this establishment at Norfolk.

107. These transactions of which you are speaking refer back to 1862, do they?

To the early part of 1863, about two years ago.

108. What further do you know in reference to the trade with the rebellious States?

I have not been through that section of the country since, but I have been at Norfolk several times. I was there about two months ago, and met several of my old neighbors and acquaintances from North Carolina, including a brother and some other connexions of mine. They told me there was a good deal of unlawful trade being carried on with that section of the country, and a good deal of it through these supply stores located about in different sections of that country. The main buying place was at Coan Jock, Currituck county, North Carolina, near the point where the North river empties into the Albemarle sound. I was informed that there was stationed there some artillery and cavalry to protect the place.

109. Is that within the rebel lines?

No, there are six counties there cut off by the Chowan river and the Albemarle sound. These six counties, so isolated and sparsely populated as to make it hardly worth while to occupy them by any considerable military force, are where these stores are mostly located, Coan Jock being the great distributing centre. I was talking with a man this very day from that section and county, and knowing that I was to appear before this committee on this subject, I inquired more particularly about it. He told me of a large establishment there, of which Charles Poole was the ostensible owner, but in reality only a clerk, which distributed monthly many thousand dollars worth of goods. They had, I think he said, at one time, a stock of over \$60,000 worth of goods of all sorts, including groceries, provisions, and even bacon, almost anything you would choose to name except ammunition; I never heard of any of that being there. I was told that the real owners of this establishment shared their gains with the military officers. There was a Lieutenant Johnson who, I think this man said, commanded there, and a Lieutenant Bird at Norfolk, I think he said. This Lieutenant Johnson, I think, has recently resigned his position in the army. He said it was a well understood fact all through that section of country that these men could get what supplies they wanted from Norfolk. They charged twenty-five per cent. profit on their cost at their door, and they would deliver them to any persons whatsoever, who would give them their twenty-five per cent. profit.

110. Did you understand that these wagons you speak of obtained their supplies at this store?

No. I am speaking of what occurred two months ago and is occurring now, so far as I am informed. A very large part of these goods go from there straight across into the rebel lines, without ever being taken out of the boxes or bales in which they are sent from Norfolk.

111. Do you know a man by the name of J. C. Jones, who has a store there?

I do not. There are several partners in the establishment.

112. Do you know what name the establishment goes by? What is the name of the firm?

I do not.

113. Was Lieutenant Johnson a member of the firm?

He was commander of the post. He was not ostensibly known in connexion with the firm at all. There were several men who had made a bargain with this firm to procure their goods, and did procure a large amount from Norfolk about two months ago. They were to be carried to Coan Jock, where they were to pay this establishment twenty-five per cent. profit, and then were to be allowed to take them in bulk to South Mills, on the dismal swamp canal; I do not know the amount, but there were several thousand dollars worth of them. When they got to Coan Jock they had a misunderstanding with Lieutenant Johnson, who demanded that they should pay him fifty per cent. of their profits for himself and the other military officers whom he represented—he was the only one who appeared in the transaction. They had quite a dispute about the matter. They told him it was well understood that they were to pay him twenty-five per cent. of their profits. He told him that fifty per cent. was his understanding, and that he would have it.

114. Was South Mills within the rebel lines?

No sir, it is in that strip of country comprised in the six counties I mentioned, cut off by the Chowan river and Albemarle sound, but packages were allowed to be carried from there, without breaking them at all, into the rebel lines. The reason why I took pains to ascertain so particularly in reference to these matters was, that I thought the government ought to know it. When I was there two years ago, dry goods and groceries were being sent out in considerable quantities, but my friend told me they were now sending out from Norfolk considerable pork and bacon, which was exclusively for rebel consumption. These six

counties are a pork and bacon producing country. They produce there a good deal more of these articles than they require for their own use. These articles, therefore, sent out to the supply stores, went straight through the rebel lines for the use of the rebel army, and, as I am informed, there is a very considerable traffic of this description going on.

115. Is that traffic still being carried on?

It was two months ago, and this man whom I met to-day told me that he left there only a month ago, and that it was still being carried on then.

116. Under whose authority is this traffic being carried on?

I do not know whether it is under the authority of the treasury agent at Norfolk, or the military authorities there, or both. These men are allowed to establish supply stores in this, so to speak, neutral country, nominally to supply the people of that region, but really a large part of the goods allowed to go to them, and, I might say, all the provisions, go straight within the rebel lines, and in return they get a great deal of cotton and tobacco, especially cotton. There ought not to come into Norfolk, as far as I could learn, and I have lived a good deal in that region, more than from fifty to a hundred bales of cotton altogether. There is very little cotton raised in that vicinity, and what is produced is used chiefly by the families for spinning for their own clothing. Nearly all the cotton brought there therefore comes from within the rebel lines, and is exchanged for pork and bacon, for the rebel regulations are very stringent, that no cotton shall go outside their lines unless exchanged for articles of their own consumption, and the articles they mostly receive for supplies for their army in exchange for the cotton sent out are pork and bacon. They have a regulation by which their cotton is allowed to be brought to the Chowan river, and there they are allowed to exchange it for pork and bacon, pound for pound. Sometimes they pay as much as a pound and a quarter of cotton for a pound of bacon. That cotton comes into these six counties and sometimes goes round by water, sometimes comes to Norfolk through the Dismal Swamp canal, and sometimes is carried over land, but usually goes by water.

117. Can you give us an idea of how much cotton finds its way to Norfolk in this way?

I cannot; but a considerable quantity. I know of one lot of 10,000 pounds brought there in December last. That, however, was cotton raised in the neighborhood of Edenton, and which was there some two years ago, when I was there. But a large amount of cotton finds its way there which has been exchanged for provisions, and in many instances for horses. There are quite a number of horses which find their way to Norfolk from Baltimore, and then persons at Norfolk take them out on one pretence or another.

118. What is the difficulty in taking goods from one of the supply stores you have named into the rebel lines?

None whatever, except what the rebels interpose. There are no federal soldiers, nor any thing whatever, intervening to prevent their going into the rebel lines.

119. Then, by a sort of mutual understanding between the two armies, this is neutral ground?

Yes, sir; it is practically so, because this strip of country running from the Dismal swamp, some eighty miles long, separated by the Albermarle sound and the Chowan river, does not present military advantages enough to make it worth while to station troops there in sufficiently large numbers to guard it.

120. How many soldiers do you understand are stationed at Coan Jock?

I do not know. This acquaintance of mine told me there were some cavalry and a park of artillery stationed there, by which I suppose he meant two or three guns. This Currituck county has been much infested by guerillas, and we captured quite a number there recently. I have been told by several parties, and I have no doubt it is true, that Dr. E. C. Robinson, a dentist, has been a great negotiator between the military authorities there and these speculators who carry goods out and transfer them. He could always get permission to bring goods into the department, for instance, from Baltimore, or further north, and it was generally understood that if any of these men wanted favors, as they called them, from the military authorities, his aid was essential in obtaining them. It was thought very strange. He was an old rebel—an old democratic rebel to begin with—a fire-eater. Very shortly after our authorities got possession of Norfolk, he was very intimate at headquarters, it was said, with some of the officials there. There was one thing very certain, he could get favors where other people could not. In fact, when I was there two years ago, it was the general complaint with the people of these six counties, a large portion of whom were Union people, quakers and the descendants of quakers, who, so far as I know them, have always been Union men, that the rankest rebels could get favors at Norfolk with a great deal more facility than loyal men, for they never pretended loyalty, nor made any claim upon any such grounds, but went to work in some other way to obtain what they wanted. I recollect one instance when I was there of a loyal man, whose life had been frequently threatened because of his loyalty, trying for many months to get permission to go into Norfolk, to

purchase a few supplies for his family, for they could not get into Norfolk at all without permission, but he could not obtain it and that was the case with a good many others, while many who were rebels could go and come freely. I recollect one man who got permission to carry out \$7,000 or \$8,000 worth of goods, the man who brought this cotton, his name is Winslow. He is a distant relative of mine. He told me that a great many people were engaged in illicit traffic, getting supplies of salt, pork and bacon, and other articles, carrying them down to the Chowan river, delivering them to the rebels, and getting cotton from them, which cotton they would, after a while, get into Norfolk.

121. From your observation, what did you judge the effect of this trade to be upon our cause?

I said to this man, as I have said to my friends, a good many of them, that if I had had the management of this thing I would have shut up Norfolk close after I took possession of it, I would not have allowed any trade whatever, because the result would be, as it has been, that it has operated almost altogether for the benefit of the rebels. I have thought before of reporting these facts, but I supposed I might get myself into difficulty by doing so. Until Fort Fisher was taken, there was less need of stringency in respect to the Norfolk trade, for the amount of supplies received through Wilmington was perfectly enormous; but I knew that as soon as that was taken, creating a larger necessity for these supplies, this traffic would be stimulated tenfold. There is another thing I wish to mention. This Francis Winslow, of whom I have spoken, who had this cotton at Norfolk, told me he conversed with Dr. Robinson early in December last, who said that he had just returned from the interior of North Carolina; that he had been across the lines, I think as far as Raleigh, and that he saw numbers of men there from Norfolk, engaged in trafficking and making bargains for the exchange of cotton and tobacco, for supplies to come through the rebel lines by way of Norfolk.

By Mr. Elliot:

122. How many of these supply stores, to your knowledge, are there in these six counties?

I only know personally of two or three. There is one at Coan Jock, which is the great headquarters of supply. There is another at South Mills on the Dismal Swamp canal there was another one eight miles from Portsmouth, opposite Norfolk, at a place called Bowe's Hill. I was told, however, that others were going to be established.

123. Can you name parties connected with them further than you have already done?

I recollect the first name of one at South Mills was Logan, but I cannot call to mind what his last name was. He was a man, who, when the rebels had possession of North Carolina, was their principal agent in taking horses from the people. When I was there he had just taken from some of my friends a number of their most valuable horses, giving them some sort of statement that they would be paid by the rebel government, but which has never been done. That man is one of the principal owners of one of these stores.

124. Have you any knowledge, except what you have heard, of the manner in which these stores were established, or are now conducted?

I was told that the owners obtained licenses or permission, from either the Treasury Department or military authorities, or both, at Norfolk. Yet some of my neighbors told me, not two months ago, that permission to obtain supplies, shoes, &c., for their families in Norfolk, was refused, and they were told if they wanted to buy, to go to the supply stores. They said they could get what they wanted at the supply stores, but that they were never charged less than a hundred per cent. above the cost in Norfolk, and more generally two hundred per cent., or even more than that.

125. Have you any other facts you now recollect having a bearing upon this investigation?

I do not know that I have of my own knowledge.

126. Is there any party, except Dr. Robinson, that you now recollect, who would be likely to have definite information upon this subject?

There was a man by the name of John P. Jordan, who was a good deal connected with this traffic, but he has run off into the rebel lines, I am told. They had him a prisoner at Norfolk at one time, and his brother is a prisoner there now. His brother was an agent of the rebel government for buying supplies, provisions, &c.; my old neighbors told me that, some months ago, there was a pretended investigation made at Norfolk, by the military authorities, into this traffic, but that they so managed it as to get no information that would throw any true light upon the subject. This man, Arthur Smith Jordan, who was at one time an officer in the rebel army, was originally appointed their agent to obtain supplies and forward them to the rebel government, especially in pork and bacon; he was, among others, summoned there to Norfolk, when this investigation was made. They sent a force down and pretended to arrest him, but he received information of it, and secreted himself. He

is a man, I believe, conseientious; a strong Methodist; I would believe what he says; and I understand that he told some most unwelcome truths to those conducting this investigation, and although they obtained his presenee there, by assuring him of a safe conduct back again, yet, for some reason he was thrown into prison, and was there confined the last I heard of him

127. When was this investigation you speak of made?

I do not know exactly; they told me it was some months ago; I judge it was in the latter part of the summer, or early part of the fall of 1864.

128. Do you know the names of any of the officers who conducted this board of inquiry?

I do not know any of them. While down there, the communications I had with my friends satisfied me beyond a doubt that the government ought not to allow any traffic whatever with Norfolk, unless it be by individuals to obtain supplies for their families; for whenever goods are allowed to be carried out in any quantity for sale, the rebels are sure to obtain the greatest portion of them, for they are willing to pay larger prices than the people of the neighborhood, for whom they are allowed to be taken out.

WILLIAM H. MARSTON called, sworn, and examined.

By the chairman:

129. Please state your residence and business.

I reside in the city of New York. I am a banker and broker.

130. Have you been engaged in any trade with the rebellious States since the breaking out of the rebellion, either by contract, permit, or otherwise; and if so, at what time, with whom engaged, and what was the extent of it?

The first thing I ever had was a sutler's permit to trade at Paducah, just after the town was captured. That, however, was not in my name; it was in the name of Mr. Chase. I have not had any permits in my own name to trade in any manner, form, or shape. A friend of mine has.

131. Who is your friend?

C. D. Chase. He had a permit to buy some cotton, and I told him I would furnish him the money he required for the purchase, but he has not called on me for it.

132. Was the permit for Mr. Chase's own benefit, or for the benefit of other persons?

For his own benefit, I believe. I told him I would furnish the money.

133. Do you expect to have any interest in the proceeds?

Of course; when I furnish money I expect to have pay for the use of it.

134. Have you any agreement or contract to that effect?

No, sir.

135. Have you that contract or permit with you?

I have not.

136. Have you seen it?

I have.

137. What is it for?

It is for 10,000 bales of cotton.

138. To be obtained where?

I think in the States of North Carolina, South Carolina, Georgia, and Florida.

139. Upon what papers did he get that contract?

I do not know. He obtained the permit himself.

140. From whom?

Perhaps some of his friends got it for him; I cannot tell.

141. Have you been engaged in, or do you know anything about any other transaction connected with the trade with the rebellious States?

I do not. Mr. Chase was at Memphis soon after that place was captured, and had some permits, on which he thought he could buy some cotton; but he did not. I sent him some money for that purpose.

142. Was he engaged in purchasing tobacco at Fredericksburg?

He went to Fredericksburg to look at some tobacco; he did not buy it.

143. Did he make no purchases while down there?

I believe not; no, sir.

144. Do I understand you to say that you have no interest in and no knowledge of the trade carried on with the rebellious States, since the breaking out of the rebellion, other than what you have stated?

I have no other interest or knowledge.

By Mr. Ward :

145. You speak of a contract or permit. Could you, from your knowledge of that agreement, state from whom this cotton was to be purchased, or through what channel it was to be obtained?

I do not think the permit states.

146. Do you know through what source or influence these permits were obtained?

I do not. Mr. Chase has been in Washington a good deal, and has a good many friends here.

147. Do you say that you had no agreement or arrangement as to what portion of the profits of the transaction you were to have?

None whatever. We have done a great deal of business together, and it has always been without any specific agreement.

THOMAS J. CONATTY called, sworn, and examined.

By the chairman :

148. Please state your residence and business.

My present residence is Baltimore. My business for the last two years, up to January, 1865, was clerk in the Treasury Department.

149. In what bureau in the Treasury Department?

I was on the rolls of the Secretary's office, engaged with Mr. Risley.

150. What was Mr. Risley's business?

He was supervising special agent; that is, he supervised the trade with a certain portion of the insurrectionary States—in Virginia, and eight counties, I believe, in the north-eastern part of North Carolina.

151. When did you leave the department?

My resignation took effect on the 1st of January, 1865.

152. What business have you since been engaged in?

I designed to engage in the purchase of cotton.

153. Have you a permit or contract to buy cotton?

I have a contract with Mr. Risley.

154. Have you it with you?

I have. It is in the usual form.

(Witness exhibited to the committee the following contract :)

"Memorandum of agreement, made November 17, 1864, between H. A. Risley, agent authorized to purchase for the United States products of States declared in insurrection of one part, and Messrs. Moore, Conatty & Co. of the other part.

"The said Moore, Conatty & Co. agree to sell to the United States fifty (50) thousand bales of cotton, product of the States of Arkansas, Louisiana, Texas, and Mississippi, to be transported by way of the Mississippi river and its tributaries, and delivered to O. N. Cutler, agent for the purchase of products of insurrectionary States at New Orleans, to be by him sold there, or shipped to New York and sold there, at public auction, under the same conditions as other sales of like public property are made, all expenses, costs, and charges connected with the purchase, storage, transportation, and sale of said cotton, together with the internal revenue tax and permit fees, prescribed by regulations, to be first paid, and the net proceeds over and above said expenses, costs, charges, taxes, and fees to be disposed of as follows :

"One fourth part thereof to be retained for the United States, and three-fourths to be paid to the said Moore, Conatty & Co., or their legal representations.

"And it is further agreed between the parties that all cotton transported under this contract shall be consigned to said Cutler, agent as aforesaid, and shall be shipped on a government transport, or, if not so shipped, shall be in immediate charge of an agent, to be appointed by said Cutler, whose compensation and expenses shall be paid by said Moore, Conatty & Co.

"Nothing in this contract contained shall be construed as incurring any liability on behalf of the United States.

"H. A. RISLEY,

"Sup. Spec. Agt., Tr. Dpt., authorized to purchase products, &c.

"D. P. MOORE,

"T. J. CONALTY,

"WM. HELMICK."

155. What is this contract founded upon?

Upon application made to Mr. Risley.

156. And that application was granted?

Yes, sir.

157. Where is it?

I suppose it is in the department, filed with Mr. Risley.

158. Did not Mr. Risley, in this case, when you made your application, give you a statement that you were authorized to go into the rebel States?

He gave a certificate based on the contract.

159. Is the certificate based on that, or is the contract based on the certificate?

The certificate is based on the contract.

160. Where is that certificate?

I have it here.

(Witness exhibited to the committee the following certificate :)

"J. Hanson A. Risley, agent for the purchase of products of insurrectionary States, on behalf of the United States, do hereby certify that I have agreed to purchase from Moore, Conatty & Co. fifty (50) thousand bales of cotton, the product of the States of Arkansas, Mississippi, Louisiana, and Texas, which cotton, it is represented, will be at points on the Mississippi river or its tributaries, on or before the first day of May, 1865, and which the said Moore, Conatty & Co stipulate shall be delivered to O. N. Cutler, agent for the purchase of products of insurrectionary States, at New Orleans, unless prevented from so doing by the authority of the United States

"I therefore request safe conduct for the said Moore, Conatty & Co., their agents, transports, and means of transportation, and said cotton from the points where situated, on or within the lines of military occupation by the United States forces to New Orleans, Louisiana, where the cotton so transported shall be delivered to said Cutler under the stipulation referred to above, and pursuant to regulations aforescribed by the Secretary of the Treasury.

"H. A. RISLEY,

"Superintending special agent Treasury Department, authorized to purchase products.

"November 17, 1864."

"EXECUTIVE MANSION, November 17, 1864.

"An authorized agent of the Treasury Department having, with the approval of the Secretary of the Treasury, contracted for the cotton above-mentioned, and the parties having agreed to sell and deliver the same to such agent,

"It is ordered that the cotton, moving in compliance with and for fulfilment of said contract, and being transported to said agent, or under his direction, shall be free from seizure or detention by any officer of the government; and commandants of military departments, districts, posts, and detachments, naval stations, gunboats, flotillas, and fleets, will observe this order, and give the said Moore, Conatty & Co., their agents, transports, and means of transportation, free and unobstructed passage, for the purpose of getting said cotton, or any part thereof, through the lines, and safe conduct within our lines while the same is moving, in compliance with regulations of the Secretary of the Treasury, and for fulfilment of said contract with the agent of the government.

"ABRAHAM LINCOLN."

161. This contract purports to be made on the 17th day of November, 1864.

It was made then.

162. What was the amount of cotton named in the contract as originally made?

15,000 bales.

163. How does it then appear to be 50,000 here?

I changed it by consent of Mr. Risley; there seemed to be no limit to the amount that might not properly be included.

164. Did you change it by consent of the President?

I do not know if the President saw it or not.

165. When was this change made, and under what circumstances?

I got the consent of Mr. Risley to change it, and did change it with his consent.

166. Did you give any reason for desiring the change to be made?

I wanted it enlarged. I could make a contract with a gentleman in Louisiana to take out 25,000 bales. I did not want to surrender the whole permit.

167. When was this change made?

In the latter part of December last.

168. Were there any other reasons for which you desired the alteration made?
No; that was the only one.

169. Did you have any conversation with any party or parties in relation to this change in respect to forming a company or anything of that sort?

No; the company was formed before the original contract was made.

170. Was there any other company formed than the one mentioned in the contract?
No, sir.

171. Have your company united with any other company or any other individuals?
They have not.

172. There is no understanding or agreement with any others?
None whatever.

173. Who are the parties mentioned with you in this contract and certificate?

D. P. Moore is one, and William Helmick the other.

174. Who is D. P. Moore?

175. I do not know much about him; I understand he has been government contractor for the last two or three years. He was introduced to me by William Helmick, who was chief clerk in the Pension Office until recently, and formerly a member of Congress. He introduced Mr. Moore as a man of means, who would furnish capital for this enterprise.

175. Had you any other knowledge of him?

No, sir; I had not; I took his indorsement.

176. Did Mr. Moore make a certificate that he had this amount of cotton in his possession?

No, sir.

177. Did anybody make such a certificate?

No, sir.

178. Do not the regulations require that?

That depends upon the interpretation you put on the regulations.

179. You are employed, you say, in the Treasury Department, under Mr. Risley—particularly in this certificate and contract department?

Yes, sir.

180. Are these certificates in your own handwriting?

They are.

181. When were the words "or its tributaries" put in there?

They were put in at the same time the other change was made; they were originally intended to be put in, and were subsequently inserted to conform with the original contract.

182. And you say this change was made when the certificate was altered?

Yes, sir; it was made at the same time as the other change, to conform with the contract.

183. Was that done by Mr. Risley's consent?

Yes, sir.

184. You say that it is not necessary, under the regulations, that the persons making the application should set forth that he owns or controls cotton in the insurrectionary districts?

The understanding is this: Mr. Risley supposed the object of the law was to get cotton. I do not know that I understood Mr. R. correctly, but I will state my belief of the theory on which he has acted. I believe his object was in good faith to carry out the law. Where parties came to him of whom he had personal knowledge, or of whom he had satisfactory evidence of loyalty—proper persons—applied to him for permission to take out a certain amount of cotton, and there was no limit fixed to the amount, he granted permits to them of that kind.

186. What does this 8th article of the treasury regulation mean which reads, "Whenever any person shall make application to the purchasing agent in writing, setting forth that he owns or controls produce, stating the kind, quality, and location thereof," &c., he shall "give a certificate that the application has been made, and request safe conduct," &c., is not the certificate given under that article?

It is.

187. Does not that article require that there shall be a statement by some party setting forth the facts on which the permit is desired?

Yes; but not necessarily in writing in his application.

188. Then why was this certificate granted in the absence of this application.

I do not know.

189. Were not you and Mr. Risley familiar with these regulations?

Yes; he, however, put a certain interpretation upon the word "control," and where the party in good faith contracted to bring the cotton out, he considered that sufficient

190. Did he put such an interpretation upon the word "control" so as not to require an application to be made in writing?

Application had not always been made in writing, as Mr. Risley considered this contract

in some instances, as obviating the necessity of an application in writing. I believe there is no agent except Mr. Risley who requires the contract to be executed. I am not aware at least, of such a practice on the part of the other agents. Mr. Risley considered this contract more binding than written applications, and he substituted this for them.

191. Has it not been the usual course of Mr. Risley to require the provisions of that article to be complied with?

He has, as he understood them.

192. Has he not understood them that application should be made in writing?

He has not always.

193. What is the reason of his requiring it in one instance, and not in another?

Where parties have brought an application it has been received, but he has not exacted such application in every instance; what he has considered most important is that a contract should be made and properly executed, and being so executed he has considered it as entitling him to a certificate; the contract always preceded the certificate and was taken by Mr. R. as more binding than a written certificate.

194. Has this contract you have produced been altered here or not?

Altered in amount.

195. Who altered it?

I altered it by authority of Mr. Risley.

By Mr. Eliot:

196. Where were you when it was altered?

I was here in Washington.

By the chairman:

197. Did you alter it with the consent of the other parties?

Yes, sir, they were conversant with the fact.

198. Who is William Helmick, a party to this contract?

Mr. Helmick was, I do not know whether he now is, chief clerk of the pension bureau.

199. Do you know whether he holds that position now or not?

He told me he has resigned.

200. Has it been your business to make out these certificates?

It was; during a greater portion of the time I was in the office; I made a great many of them.

201. How many have you made?

I cannot say now without reference to some memoranda in the department. Perhaps twenty-five, in round numbers.

202. What has been the rule in governing Mr. Risley in issuing the certificates?

He granted them to all proper loyal, good men; there has been no distinction or favoritism shown or political influence required. I must say, without any design to exculpate or excuse Mr. Risley, that he did this in a manner that he believed to be consistent with the laws and the regulations on the subject. He believed the object of the government was to get cotton out from the south, and he believed that the proper mode of accomplishing that object was to grant all reasonable facilities to persons applying, if they were loyal and good men.

203. Where did you expect to get these 50,000 bales of cotton?

In the States named in the contract.

204. Whereabouts in those States?

We expected to get a good deal in Texas, and, to be frank with the committee, although Mr. Risley knew nothing about it, I will say that we intended to secure a certain portion of the cotton in Texas, and let it rest there until the ports of the State were properly opened and then take it out.

WEDNESDAY, February 1, 1865.

Members present:

Representatives.

Mr. WASHBURN, chairman;

ELLIOT,

LONGYEAR,

Representatives.

Mr. WARD,

DIXON,

PERRY.

THOMAS J. CONATY recalled, and examination continued.

By the chairman:

205. You stated, at the close of your examination yesterday, that it was your intention to purchase a quantity of cotton in Texas. How did you expect to get there?

We did not design to go there.

206. Who did design going there?

There was a gentleman with whom we did design to contract to go there.

207. Who was that?

A gentleman by the name of Rogerson.

208. Where did he live?

He lived, I believe, in the City of New Orleans. He was connected with John A. Peale & Co. He came on here to get a permit, but did not succeed.

209. Why didn't he get it?

I do not know whether he made an application for it.

210. If he came on to get a permit, why did he not make an application?

I do not know.

211. How do you know he wanted a permit?

He said so.

212. If he said he wanted it why did he not apply for it?

I do not know.

213. Did he propose to go into the rebel lines?

I do not know.

214. Texas is within the rebel lines, is it not?

I judge so. I presume he designed to pass the lines and procure the cotton; that was our presumption. We had not entirely consummated our plan in connexion with this man.

215. Who was it furnished the money to carry out this plan?

It was Mr. Moore who was to furnish the money to carry it out.

216. Did you furnish any of it?

No, sir.

217. What did you put in the concern against Moore's money?

I was to give my time and services. I got the certificate.

218. Was the certificate you obtained considered a part of the capital stock?

It was; at least so it was they considered it.

219. I understood you to say it was under application in writing made by Moore, stating he has cotton in his control that the permit was issued?

No, sir.

220. Did Moore make his application through you?

We agreed on this matter at the time I was in the office, before my resignation.

221. What first started you in this matter?

I saw a great many men getting these papers; I asked Mr. Risley if I could get one of these permits if I left the office. He said certainly I could; that any good and loyal man could get a permit, and so I determined to resign my office and make application.

222. Do you know of any parties who are in the Treasury Department now who are interested, directly or indirectly, in this matter?

I do not know a single individual in the Treasury Department who has any interest whatever in it, and this I can most deliberately and solemnly testify to.

223. Have you had any talk in reference to it with them?

Not a syllable.

224. Where was this alteration of the contract made?

It was made in Mr. Risley's office, and by the consent of Mr. Risley.

225. Have you been in New York lately?

Yes, sir.

226. At what time?

Three or four times.

227. Were you in New York in the month of January?

I was; in the early part of January.

228. Was not the object of this visit to make arrangements with a fourth party with respect to this alteration?

The alteration was made before there was any talk of admitting a fourth party into the concern at all.

229. Who was the fourth party.

A gentleman in New York.

230. What's his name?

George K. Cook.

231. Who is George K. Cook?

I do not know, any more than I was introduced to him by a son of Commodore Vanderbilt.

232. What led him to be introduced?

I will tell the committee frankly what led to it. Mr. Moore was to furnish the capital at the time this company was formed. I supposed he was to furnish \$1,000, to pay my personal expenses; I found afterwards he did not like to do that. It was necessary for me to have something to pay my expenses and my family's expenses while this thing was going on, and it was for this reason that I proposed to introduce another party, who could furnish this amount of money for that purpose.

233. How much did Cook pay you, anything?

He did not pay anything.

234. How much did he agree to pay?

Two thousand dollars.

235. Did he pay it?

He did not.

236. Why not?

He has not been admitted to the company.

237. Why has he not been admitted?

Because Mr. Moore would not consent to it.

238. Is Mr. Moore a man of large means?

They say he is worth \$150,000. I do not know this; he has been a contractor under the government for three or four years.

239. Where does he live?

In this city.

240. What kind of contractor has he been?

In horses and mules.

241. Were there any consultations in Mr. Risley's room in the Astor House, New York, in regard to this matter.

Not a syllable.

242. Were you in Mr. Risley's room in the Astor House?

I was.

243. Were the other parties in there?

No, sir.

244. At no time?

No, sir.

245. Do you know any other parties in New York interested in these certificates?

I know men in New York who have obtained certificates of this sort. I knew of their being issued while I was in Mr. Risley's office.

246. Who were they issued to?

I know Wilson, Gibson & Co. as one. I do not know the parties themselves; I merely recollect the name of Wilson, Gibson & Co.

247. You say the alteration of these papers took place in Washington?

Yes, sir; by consent of Mr. Risley the alteration was made on the matter being presented to him. A gentleman wanted to make a contract for the whole matter as it was. I did not want the matter to go out of my hands; I wanted the control; the amount of the cotton he said he could control.

248. Who said he could control?

Mr. Rogerson, the agent of John A. Peale.

249. And that was the inducement for you to have the alteration made in the contract?

Originally, it was. I did not know Cook at all in the transaction until some days after this change was made.

250. Have you received any sum or sums, or have any sum or sums of money been promised to be paid to you for your influence in getting such papers?

Not a cent. I received \$700 from William Helmick—borrowed money—for which he has my due bill; but it had nothing to do with this transaction. It was borrowed at the time that both Mr. Helmick and I were in office. I resigned my position in treasury the very day I got this permit signed.

251. Were not these negotiations in regard to the permit made while you were in the office?

They were; but the very moment I found this paper was signed I resigned my office.

252. Do you know a man by the name of Melloone?

I have not heard of him.

253. Do you know that he had certificates granted?

I know that he had; at least, I made one out for him.

254. What was the nature of the permit?

It was a permit, or rather a certificate, for Mr. Risley did not give permits, simply stating

that he had made a contract. It was for cotton, I think, to the best of my belief in North Carolina; a certain number of bales of cotton.

255. Where did Mr. Melloone live?

I do not know anything about him. Mr. Risley gave me the memorandum, and I made out the certificate.

256. Do you know who recommended or introduced him?

Mr. Charles K. Hawks, of New York, was the party who, I think, presented his name to Mr. Risley.

257. Who is Charles K. Hawks?

I do not know anything about it more than that. I know nothing about him at all.

258. Do you know whether Mr. Hawks was interested in the certificate given to Mr. Melloone?

I cannot say anything about that.

259. Was it the ordinary form of permit?

The ordinary form, precisely.

By Mr. Eliot :

260. Do you recollect the amount of cotton named in the certificate?

I am not certain; I think it is 5,000 bales. I could tell certainly by reference to the records of office.

By the chairman :

261. Do you know of a permit being granted to a man by the name of Hall, in New York?

I have no knowledge of any.

262. Do you know of any goods being shipped with a view of entering into trade with the rebel States under these certificates?

I do not; that is entirely a different branch of the business. That is the military branch. It does not properly belong to the Treasury Department. When such permits were given it was an executive proceeding—a military matter entirely—the agent was required to give a certificate when cotton or other products of the rebel States were delivered to him, stating the amount delivered, the price; and the route through which the cotton or other product came. Upon that the commanding officer was required to allow goods to the amount of one-third the sum stated in such certificate to go back in the way of supplies, not contraband of war. There is no provision in the Treasury regulation providing for that, and it did not come under Mr. Risley's proper control at all.

263. Do you know of the Treasury Department having granted a certificate to Lazare, Camp & Brooks?

I made out a certificate to these parties in the ordinary form. I do not know them at all. It was in the ordinary way of business. The memorandum was given me and I made out the papers.

264. Did you ever see the papers afterwards?

I did

265. Where did you see them?

I saw them in the office of Mr. Haskell.

266. Where

In New York. At the Astor House.

267. What took place?

Mr. Haskell had a conversation with Mr. Risley, who then told me he was authorized by Mr. Risley to erase the name of "Lazare" and insert that of "Lovie."

268. Did Mr. Risley tell you that?

I do not know whether he did or not.

269. Are you in the habit of altering contracts?

No, sir, I am not. I saw Mr. Haskell speaking to Mr. Risley, and I took it for granted it was all right; in fact, I am not certain but that Mr. Risley did tell me so.

270. Are you certain he did?

I am not

271. What were the considerations authorizing Mr. Lovie's name to be substituted for that of Mr. Lazare?

Mr. Lazare was not going into the contract—a new arrangement had been entered into, I believe. I knew nothing about it.

272. Did you note the alteration in the margin of the certificate?

I do not believe I did.

273. How did you make the alteration?

I erased the word "Lazare" and put in "Henri Lovie."

274. Is that all that took place in regard to this matter?

That is all. Mr. Haskell came to me and said Mr. Risley was satisfied the change should be made. He had been talking with Mr. Risley. As I said, I may have consulted Mr. Risley myself, as I probably ought to have done.

275. But you do not think you did?

I am not positive.

276. Would you not have been likely to be positive if you did?

I do not know.

277. What authority had you for making the changes?

The statement that Mr. Risley had authorized it.

278. What authority had Mr. Risley to change a contract which had attached to it the President's order referring to the certificates in its original state?

I do not know. Changes were made at various times to suit parties after contracts had been made.

279. What other reason was there for putting in the name of this other party?

I have stated the reason.

280. Who is the "Camp" mentioned in this contract?

Mr. Camp is a gentleman known in Washington. I do not know how I can describe him except that he is a large man, and said to be connected with the New York "Tribune."

281. Who is Mr. Lovie?

I do not know.

282. Do you know that there is such a man?

I do not

283. Who is Mr. Brooks?

I do not know.

284. Do you know upon whose application this certificate was granted?

I think Mr. Camp is the party.

By Mr. Eliot:

285. Was Mr. Risley in New York at the time the name of Mr. Lovie was put in?
Yes, sir.

By the chairman:

286. Look at this paper. Is that the certificate which was granted?
Yes, sir.

The certificate referred to is as follows:

"I, Hanson A. Risley, agent for the purchase of products of insurrectionary States, on behalf of the United States, do hereby certify that I have agreed to purchase from Henri Lovie, Benjamin H. Brooks, and Benjamin F. Camp, seven thousand bales of cotton, situated in the States of Mississippi and Louisiana, which cotton it is represented will be at or near the Mississippi river, on or before the first day of March, 1865, and which said parties stipulate shall be delivered to Otis N. Cutler, agent for the purchase of products of insurrectionary States, at New Orleans, unless they are prevented from so doing by the authority of the United States.

"I therefore request safe conduct for the said Henri Lovie, Benjamin H. Brooks, and Benjamin F. Camp, their agents, and means of transportation, and said cotton, from the State of Mississippi, within the lines of military occupation by the United States forces, to New Orleans, where the cotton so transported shall be delivered to said Cutler, under the stipulation above referred to, and pursuant to regulations prescribed by the Secretary of the Treasury.

"H. A. RISLEY,

"Sup. Spec. Agt., Tr. Dept., authorized to purchase products, &c., &c."

"November 13, 1864."

"EXECUTIVE MANSION, November 17, 1864.

"An authorized agent of the Treasury Department having, with the approval of the Secretary of the Treasury, contracted for the cotton above-mentioned, and the party having agreed to sell and deliver the same to said agent,

"It is ordered that cotton moving in compliance with and for fulfilment of said contract, and being transported to said agent, or under his direction, shall be free from seizure or detention by any officer of the government; and commandants of military departments, districts, posts, and detachments, naval stations, gunboats, flotillas, and fleets, will observe this order, and give the said Lovie, Brooks, and Camp, their agents and transports, free and unmolested passage, for the purpose of getting said cotton, or any part thereof, through the lines, and safe conduct within our lines, excepting blockaded lines, while the same is moving in compliance with regulations of the Secretary of the Treasury, and for fulfilment of said contract with the agent of the government.

"ABRAHAM LINCOLN."

287. Where were the words "and Louisiana" put in?

They were put in afterward.

288. At the Astor House?

No, it was done here in Washington, but the authority was supposed to have been received by me at the Astor House

289. Then Mr. Haskell placed these documents in your hands?

Yes, sir.

290. For what purpose?

To have the alteration made in the record at Washington to correspond.

291. How was the record changed—by erasion?

I do not know; I told Mr. Green, the clerk, to do it.

292. Is it usual for the department to alter its records in that way?

I do not believe it is; there have been alterations made before the records have been made up. There are drafts made of these contracts before they are entered in the books, and alterations made. Mr. Haskell came to me and said Mr. Risley had no objections to this change being made.

293. Is it your practice, when parties come and state their desire to have contracts entered into changed, to make such changes merely on their statements?

I do not ever remember to have done that before; I supposed in this case Mr. Haskell to be a man of veracity, and on his statement that Mr. Risley had authorized it, I thought it proper to make the change.

294. Is this the contract referred to?

Yes, sir.

The contract referred to is as follows:

"Memorandum of agreement made November 13, 1864, between H. A. Risley, agent authorized to purchase, for the United States, products of States declared in insurrection, of one part, and Henri Lovie, Benjamin H. Brooks, and Benjamin F. Camp, of the other part.

The said Henri Lovie, Camp, and Brooks agree to sell to the United States seven thousand bales of cotton, product of the States of Mississippi and Louisiana, to be transported by the way of the Mississippi river, and its tributaries, and delivered to O. N. Cutler, agent for the purchase of products at New Orleans, to be by him there sold, or shipped to New York and sold there, under the same terms and conditions as other sales of like public property are made; all expenses, costs, and charges connected with the purchase, storage, transportation, and sale of the same, together with the internal revenue tax and permit fees, prescribed by regulations, to be first paid, and the net proceeds over and above such expenses, costs, charges, taxes, and fees to be disposed of as follows: one-fourth part thereof to be retained for the United States, and three-fourths to be paid to the said Henri Lovie, Camp, and Brooks, or their legal representatives.

"And it is further agreed between the parties, that all cotton transported under this contract shall be consigned to the said Cutler, agent as aforesaid, and shall be shipped on a government transport, or if not so shipped, shall be in immediate charge of an agent to be appointed by said Cutler, whose compensation and expenses shall be paid by the said Lovie, Camp, and Brooks.

Nothing in this contract contained shall be construed as incurring any liability on behalf of the United States.

H. A. RISLEY,

Superintending Special Agent Treasury Department.

HENRI LOVIE.

B. H. BROOKS.

By Mr. Eliot:

295. Did Mr. Risley know afterwards from you what had you done?

I do not think he did.

296. He does not know it to this day, does he?

I do not think he does, only from his knowledge in the first place that it was to be done.

297. Are you positive about his knowledge in the first place?

I am positive that I was so assured.

298. Did you receive anything for this?

Not anything.

299. Nor promise of anything?

Nor any promise.

300. Have you no anticipation or expectation of any interest in any way?

Not the remotest expectation in any way whatever. I did it only in the ordinary way of official duty.

By Mr. Perry:

301. Was it done before or since you resigned?

It was done since I resigned.

302. What right had you, as an individual out of office, with no official connexion with the Treasury Department or any other department, to alter the records of that department?

I was working for Mr. Risley. I did several things for him at the Astor House. He sent me down on a certain matter to Washington and I took these papers along. I was really a clerk of Mr. Risley.

303. But you were not a clerk of the government?

No, not a clerk of the government.

304. Did Mr. Risley pay you for your services as clerk?

He has not, but I suppose he will. He has promised to pay me for anything I have done.

305. What were the profits that would have arisen from this transaction on this certificate for the purchase of the 50,000 bales?

We had a contract with a man to take 25,000 bales, giving us fifteen cents a pound for every pound delivered to the purchasing agent in New York.

306. Fifteen cents profit?

Yes, sir.

307. How much do you suppose your profits would have amounted to?

I had no idea that we would get 50,000 bales.

308. Is there any understanding, or was there any, that any other parties than the ones you have named should be interested in the profits?

Nobody whatever.

309. You made no agreement with any one for his influence, or for any other reason?

I did not; it was not necessary.

310. Do you know it to be a fact that anybody could go to the Treasury Department and obtain one of these permits?

Any proper person—any loyal person—could go there and obtain a permit without any certificate.

311. Without a certificate from any party whatever, that he had cotton in the rebel States he could control?

Yes, sir. Mr. Risley would make a contract with any good man. Understanding the object of the government to be to get out cotton, he did all he could to facilitate that object.

312. Do you know W. Prescott Smith, of Baltimore?

I do.

313. Has he been interested in any of these contracts?

Not to my knowledge.

314. Where did you know him?

I only know him as a railroad superintendent.

315. Did you ever know him in connexion with these permits to trade?

I never did.

316. He is a railroad superintendent of what?

Of the Baltimore and Ohio railroad.

317. Where is this Mr. Moore now?

I suppose he is in this city. I have not seen him for a few days.

318. Do you consider Mr. Cook as a partner in this transaction now?

No, sir.

319. For the reason that Mr. Moore would not let him in?

For the reason that Mr. Moore would not let him in.

320. Has Mr. Moore always lived in this city?

For the last three or four years, as I suppose.

321. What facilities had Mr. Moore for controlling cotton in the rebellious States any more than any other man in this city?

Mr. Moore and Mr. Helmick had had acquaintances who had operated down there in cotton. I think they mentioned a Dr. Van Camp, who had made himself rich in buying and getting out cotton down there under the old system before this new law went operation.

322. Is Dr. Van Camp a dentist in this city?

I think he is.

323. Where is he now?

I do not know.

By Mr. Perry :

324. Was he on friendly terms with authorities in the southern confederacy?

I do not know anything about it. I do not know the man at all. Mr. Helmick knew him, and had a good deal of confidence in him and in his ability to get out cotton.

325. Have you had any correspondence with any parties in the confederacy on this subject?

No, sir ; I have not had any correspondence even with this man. I was introduced to him once by Mr. Helmick. That is the only acquaintance with him I have.

326. How did you expect to pay for this cotton ?

In money.

327. In what money ?

In United States currency. If we were allowed to take back supplies for cotton brought out, we would do so on these executive orders.

328. Have you purchased or had made any negotiations for the purchase of any merchandise of any kind with a view to this exchange ?

No, sir ; we have not. My design was, if we could to get good, responsible men to pay us a percentage for the use of the privilege, I intended to stop in New Orleans myself. I did not intend going beyond there, nor did any members of the firm intend going personally beyond the federal lines.

By Mr. Eliot :

329. Do you mean you intended to transfer the right to use this permit ?

I meant to sublet the contract ; that was a part of the programme.

330. And you were to make your profit by subletting under these permits ?

Yes, sir ; that was my intention.

331. That would not require a very large capital, would it ?

Not very great ; no, sir.

332. Had you proceeded to any extent in carrying out that plan ; had you ascertained the names of parties who would be likely to become purchasers ?

We had made a contract with this Mr. Rogerson, agent of John A. Poole, an extensive merchant in New Orleans, as he represents him.

333. Did that contract transfer to him all rights you had under this permit ?

It transferred the right to bring out a certain number of bales of cotton, for which he was to pay us fifteen cents a pound on its delivery to our purchasing agent. We were not to be concerned in the trade in any way other than that.

334. You must have considered this permit of yours worth something if you required a party to pay you \$2,000 for the privilege of one-fourth interest in it, when, at the same time, the party could go to Mr. Risley and obtain a permit just like it for nothing ?

I will explain that. This certificate was granted on the 17th of November. The general regulations of the Treasury Department now in force did not go into operation until the 1st of December, as you will see by the date of the regulations. The executive order could not be readily obtained after the 1st of December. I do not say it could not be obtained at all ; but Mr. Risley felt a delicacy about requesting anything of that kind, such as asking for the signature of the President, because parties could obtain authority under the general regulations. This company, to which Mr. Cook belonged probably, could not get the President to sign for them. He wanted a paper that had Mr. Lincoln's order attached to it.

335. Then I understand you that while anybody could get Mr. Risley's certificate, that everybody could not get a permit with Mr. Lincoln's order attached to it ?

I do not think they could.

336. And the special value of the permit arose, therefore, from the fact that it had Mr. Lincoln's order accompanying it ?

One great value. Yes, sir.

337. And that made it important to change the amount from 15,000 to 50,000 bales ?

I do not know that it did. We did not expect to get out 15,000 bales, but we wanted to cover as large a contract as we could. I could just as well have had 50,000 bales inserted in the first place.

By the chairman :

338. Was this change from 15,000 to 50,000 made subsequent to the time when orders could conveniently be obtained from Mr. Lincoln ?

A number of parties have had orders since.

339. But I understand you to say it was very difficult to get them ?

It was more difficult.

340. And it was that which made your contract the more valuable ?

They considered it valuable for that reason. This alteration was made before I knew Cook at all in the transaction, or any other party in reference to it. It was made, as I before stated, to cover a contract with this man who wanted to get out 25,000 bales.

By Mr. Perry :

341. How does this contract stand recorded in the Treasury Department ; for 15,000 or 50,000 bales ?

For 50,000.

342. Because you altered it to 50,000 ?

Yes, sir. I considered myself authorized so to alter it.

343. How was it altered ; by erasure ?

Yes, sir.

344. By erasure with a pen or knife ?

With a scraper.

By Mr. Eliot :

345. When you wanted a permit for a larger amount, why, instead of altering a paper which had Mr. Lincoln's signature to it, did you not make application for another permit ?

It would have involved more trouble. I suppose I could have got it. I did not want to ask too much from the President ; it was a matter of delicacy with me.

346. Did not the delicacy which prevented you from making a second application occur to you as in the way of your altering a paper having the President's signature ?

I had Mr. Risley's consent, and did not consider the matter of the quantity a material point involved. Other parties had had permits for as large a quantity.

By the chairman :

348. In this contract and certificate granted originally to Lazare, Brooks, and Camp for 7,000 bales of cotton, the order of the President is dated four days subsequent to the certificate of Mr. Risley ; was the alteration made in the body of the order of the President made by you with the consent of the President ?

I made that, as I told you, at the same time I made the change in the contract.

349. Did you make it with the consent of Mr. Lincoln ?

Not to my knowledge.

350. By what authority did you make it ?

By that of Mr. Haskell, who came to me, as I have stated.

351. By what authority did you alter the order of the President ?

By the same authority I have stated.

352. Could you not have put in the name of Jeff. Davis as well as that of Mr. Lovie ?

I would not have done it.

353. Could you not have done it ?

If Mr. Risley had come to me and told me to do it, I would have considered that sufficient authority.

354. Was Mr. Risley, or anybody else, authorized to change the President's order ?

I see the point very clearly, but I will state to the committee that the President did not, of course, know any of these parties personally. The contract was made by Mr. Risley, and signed by Mr. Lincoln upon the faith of Mr. Risley's representations. They might as well have been any other parties as these so far as the President was concerned, for he merely took Mr. Risley's guaranty.

355. The point is, that you might just as well have put in the name of any rebel as that of Mr. Lovie, who would then have had the authority of the President to go inside the rebel lines to trade. Do you know this man Lovie ?

I do not know him at all, nor do I know Brooks, whose name is also in the contract.

356. And you do not know whether he is a loyal man or a rebel ?

No, sir ; nor do I in a majority of the instances in which I have made out permits. I get a memorandum from Mr. Risley and make out the papers, simply inserting the names as they are given to me. I know Mr. Camp slightly, but I know but few of these men.

NOAH L. WILSON called, sworn, and examined.

By the chairman :

357. Please state your residence and business.

I formerly resided in Ohio ; I reside at present in New York ; my business is banking.

358. Have you directly or indirectly been engaged in trade with the rebel States since the breaking out of the rebellion ? If so, at what time, to what extent, and with whom connected ?

I have not, directly or indirectly, until recently. My firm, of Wilson, Gibson & Co., of New York, entered into arrangements about the first of January, 1865, to commence trade with the insurrectionary States, under permits from the President, in pursuance of the laws of Congress and treasury regulations. Wilson, Gibson & Co. are connected with Mr. Howland—I have forgotten his first name—who is manager of the Neptune Steamship Company, New York. A. G. Story, of Little Falls, Herkimer county, New York, Abraham Bell, Sons, merchants, New York, owners of the old line of the Liverpool and London packets ; Kingsley, whose first name I have forgotten, of Brooklyn, New York, contributed \$12,500 in cash to the concern ; Buckley, of the firm of Platt, Gerard & Buckley, and J. Borman Johnston ; I believe they are all.

359. Please state further in relation to this company of which you have spoken. To whom were these permits or certificates granted? For what purpose, and to what extent?

The purpose was the purchase of products in these insurrectionary States, especially cotton. The permits were issued to Wilson, Gibson & Co.

360. Was there permission given to purchase anything but cotton, and, if not, how much cotton, and where was the same situated?

My impression is that I have answered the question. It was to purchase the products of the insurrectionary States, but our principal object was cotton.

361. Where are these permits or certificates?

They are in our possession, in New York.

362. Have you them at home?

I am not certain whether we have the permit at our office, in New York, or whether we have only a copy of it. One of my partners has gone to Georgia to attend to this matter. My impression is that he took the original with him.

363. What names were inserted in this permit or certificate?

The names of the several partners of the firm.

364. Who made the contract with the treasury agent?

I am not sure but we all participated in it. I did, to a great extent, perhaps greater than any of the others.

365. Who was the party that certified that he had cotton in the rebel States?

A Mr. Livingston.

366. Where was this Mr. Livingston from?

From Georgia.

367. What part of Georgia?

He formerly did business in Savannah. His residence is in the interior of Georgia cannot now name the place; I have heard it, but cannot now recollect it.

368. How many bales of cotton did the certificate authorize the parties to whom was granted to bring out?

I think, one hundred thousand.

369. Did Mr. Livingston certify to the department that he had one hundred thousand bales of cotton?

No, sir; I do not think he certified to having any particular quantity.

370. Through whose instrumentality was the permit obtained?

Through my own, and that of our counsel.

371. Who was your counsel?

Mr. Buckley, who was also interested in the transaction.

372. Was there a man by the name of Wells interested in it in any way?

Yes, sir. Mr. Wells and Mr. Livingston, I believe, are interested together.

373. Their names, however, are not inserted in the contract.

They are not interested under our contract with the government; they are interested, however, in getting out cotton in compliance with their part of the arrangement.

374. What is their part of the arrangement? What is their interest?

Their interest is 62½ per cent. of the net profit.

375. Where does Mr. Wells belong? What is his business?

Mr. Wells belongs, I believe, in New York or Brooklyn. He has constructed the water works of the city of Brooklyn. He has been a large contractor, I understand, upon works of internal improvement.

376. You say Mr. Livingston was a resident of Georgia. How long has he been out of Georgia?

I do not know how long he has been out of Georgia. It is but recently that I made his acquaintance, in the month of December.

377. By whom was he introduced to you?

I believe he introduced himself.

378. What do you know of his antecedents?

I do not know that I know anything certain. Pretty much all that I know of him he told me himself. I think he was a northern man originally. He emigrated to Georgia, a few years since, and has been there several years.

379. Where is he at the present time?

I suppose he is in Georgia by this time.

380. When did he leave New York?

About the middle of last week, I think.

381. Do you know how recently he was through the rebel lines?

I do not.

382. Do you know of his being in Richmond recently?

I do not.

383. Did he state to you that he had been there?

Not recently.

384. How long ago?

I do not think he stated how long.

385. Did you go into this matter on his representations?

I went in mainly on his representation as to what he could do in the way of getting cotton. He possessed the confidence of the President and of the government. He has rendered very signal services to the government.

386. To what government?

To the government of the United States. I think, if you will inquire of the President of the United States, you will probably find that he rendered the government as signal, if not more signal, service in Georgia than anybody else.

387. Did he not state to you that he was well acquainted with members of the rebel government, that he had been in Richmond, and was on good terms with them?

I think he gave us to understand that he would not be molested there. I do not recollect of his having stated that he was on good terms with the rebel authorities. I do not think he stated that he had any intercourse with the members of the rebel government.

388. What particular reasons had he for supposing that he would not be molested more than anybody else?

I suppose it was in consequence of his expecting to do his business in a part of Georgia where the people were famishing, and where he would, therefore, have their support.

389. What part of Georgia is that?

On the Fernandina and Gulf railway, I think, of which he is a director and a large stock holder, as Mr. Wells also was.

390. You say you went into this thing pretty much on his recommendation?

Yes, sir; we believed from his representations that he could get out cotton.

391. What was the capital stock subscribed by these parties?

Five hundred thousand dollars.

392. How much has been paid in?

Two hundred and fifty thousand dollars.

393. By whom?

The parties I have named.

394. In cash?

Yes, sir.

395. Each twelve thousand five hundred dollars?

The shares were each twenty-five thousand dollars, and there were twenty shares. Each paid half in cash.

396. Have you had any difficulty lately about getting your papers all right?

No difficulty in getting our papers, but delay in getting the government to appoint the agent who was stipulated to be appointed to go down there.

397. What was the cause of the delay?

I do not know that I can assign any cause except the usual delays in getting almost anything done by any of the officers of the government.

398. Was there any difficulty in relation to passes?

My impression is, none whatever; they exhibited to me, on their return, passes from the President of the United States and Secretary of War. I think there was no difficulty in that way; I had nothing, however, to do with the matter.

399. Do you know of anybody coming on from New York in order to help the matter through?

Mr. Livingston and Mr. Wells had the matter in charge.

400. Do you know of their employing anybody to assist them?

They had the assistance of lawyers; I think of counsel.

401. What lawyers did they have?

I believe they employed, after they reached here, Mr. Evarts and Judge Pierpont of New York. I am not aware of their employing anybody else.

402. If they had no difficulty in getting this matter through, what was the necessity of employing lawyers?

They are both plain, ordinary men; and, I take it, not accustomed to the routine of business of this sort, and they employed gentlemen whom they supposed would be.

403. Even if they had been the men you describe, if they had no difficulty in getting the matter through, why should they employ lawyers?

You know better than I do. I have had very little to do with these matters.

404. Were these parties in the city at that time?

Yes, sir, I believe one was.

405. Were they here at the time Livingston and Wells came on, or were they sent for after they got here?

I think Judge Pierpont was here, and that they employed him here. I believe they sent for Mr. Evarts to assist them before they saw Judge Pierpont.

406. Was it a kind of business that required legal talent?

You are as good a judge of that matter as I am, and better.

407. Are there any parties, other than you have mentioned, interested in this matter, directly or indirectly?

Mr. L. A. Bigelow is interested; not by supplying any capital, but simply by his services in superintending the trade.

408. Is he the only one?

He is the only one I know who has any interest in the matter.

409. Who made the application to Mr. Risley for this certificate?

I do not know that any person made application to him until I applied myself.

410. On what ground did you make application.

On the ground that we supposed we could make money out of it; we were invited to do so by the laws of Congress and the regulations of the Treasury Department.

411. What has been the cost of getting up this company?

We have expended, I think, about \$150,000 in cash, in the purchase of a steamer, and in the purchase of merchandise not contraband of war, under the regulations of the government, which we have sent forward, together with a schooner under charter.

412. What is the name of this steamer?

The Petrel.

413. Have you paid or promised to pay any sum or sums of money to any individual for any privilege you have received?

None whatever, directly or indirectly. We went into it merely as a legitimate commercial transaction.

414. Has the steamer Petrel started?

Yes, sir.

415. Did she take out anything?

Yes sir, a full cargo.

416. What did she take out?

Dry goods, provisions, coffee, and assorted merchandise.

417. Where did she clear for.

Fernandina.

418. What was the value of the cargo?

I cannot state separately. The two cargoes both sailed within twenty-four hours of each other; and the two steamers and cargoes were worth about \$150,000. I should say \$120,000 would cover the cargoes.

419. And these cargoes were to be exchanged for cotton?

Yes, sir.

420. What was the name of the schooner?

Julia A. Rider.

421. What was her tonnage?

I believe about 350 tons.

422. What is the tonnage of the Petrel?

I cannot say with accuracy; I should say about 300 or 350 tons.

423. Where can the invoices of the goods taken by these vessels be found?

At our office in New York.

424. Will you send them to the committee?

Yes, sir, we will furnish you them with pleasure, if you desire it. I will send them by the first express or mail. I will state to the committee, that we went into this matter, supposing we were invited so to do by these laws, and for no other purpose than purely legitimate trade; if we had supposed there was any question or any doubt in regard to the matter, we would never have engaged in it at all.

By Mr. Eliot:

425. Did you have more than one permit?

Only one.

426. Do you know Mr. Risley?

Yes, sir, I met him in New York.

427. Have you stated all you know in reference to this delay which occurred in Washington?

The understanding with Mr. Risley was, that a special agent by the government should be sent out. I think that is provided for in the contract; the failure to make that appointment was the cause of the delay; the delay caused a disappointment on the part of these gentlemen, who expected to have gone out in this vessel; but our steamer and vessel had to go out without them, and they had to go to Washington to have this appointment made. When they came here, they found difficulty or objections to appointing this agent; and finally the Treasury Department avoided the matter by vesting the power of agent in the collector of customs at Fernandina, in order to save expenses.

428. And was that the difficulty about which Mr. Evarts and Judge Pierpont were employed? Yes, sir, that was the only difficulty. The government seemed to have some hesitation about fulfilling its part of the agreement in the appointment of that agent; that was the only question I know of which embarrassed or delayed them.

429. Do you know Mr. Livingston's first name?

I have forgotten it.

430. Can you describe him?

He is rather a tall man, dark complexion; one of his hands is deformed.

431. When did these vessels leave?

They sailed about the middle of the week before last.

432. Do you know of any other transactions in reference to trade with rebellious States, except those you have stated?

I do not.

433. Do you know other persons in New York who have gone into the business?

I do not.

JAMES L. MCPHAIL called, sworn, and examined.

By the chairman:

434. Please state your residence and business.

I live in Baltimore; I am now acting under the War Department as provost marshal or special agent for Maryland.

435. What knowledge have you, if any, in regard to trade which has been carried on in the rebellious States since the breaking out of the rebellion? Please state fully and particularly all the facts and circumstances connected with such trade, if you know anything about it; by whom carried on, and how and to what extent.

Supposing that was what I was summoned for, I brought my letter book with me, in order to refresh my memory as to dates and circumstances. Here is a copy of a report I made to Major Turner, judge advocate, with regard to the trade in Westmoreland county, by Miles Hopkins, of Baltimore, in the schooner Ann Hamilton. Some time in February, 1864, I discovered that a vessel called the Ann Hamilton, a schooner, was loading in the port of Baltimore, with a cargo which looked suspicious for the country in which that vessel was trading.

I caused an examination to be had, but before I could get an opportunity to stop the vessel she sailed. I immediately advised the War Department of the fact, and started my sloop in pursuit of her, with instructions to pass her and overhaul her afterwards; my sloop ran to the Wicomico river, on the Virginia side, after having reported to the navy, and waited there all night. Just at dusk a gunboat came up, which turned out to be a gunboat from the military department below. She overhauled us and we made everything satisfactory; they said they had been sent to look after this same vessel, the Ann Hamilton. We then came out, returned to Baltimore, and found the vessel had been overhauled by the revenue cutter Hercules, Captain Baker, at Piney Point. The vessel was afterwards taken up to St. Mary's by some arrangement between the captain of the Hercules and the captain of this schooner, who admitted her to be a prize. Captain Baker held her there for a little while, when the officer, whoever he was, in command of the flotilla took her away as a prize of the navy. She was taken up to Washington and there released, from the fact that she had a regular permit from the Treasury Department to trade in Westmoreland county, Virginia. That was one of the reasons why I followed the vessel; I knew of that permit to trade here. I knew the fact that only a few days before General Marston had made an excursion through that country, and I knew there must be something wrong in sending such a cargo as this was there, and I therefore made a full report of the facts and called the attention of the government to them; the following is the report with letters accompanying:

"BALTIMORE, February 1, 1864.

"Sir: I desire to call the attention of the War Department to the sailing from this port, yesterday, of the schooner Ann Hamilton, Captain Bell, for Wicomico river, Northumberland county, Virginia, by regular clearance, and a permit from the Treasury Department, granted, on the recommendation of the War Department, as a military necessity, to W. C. Hopkins, of the firm of Miles & Hopkins, of this city; the cargo consisting of groceries, dry goods, notions, boots, shoes, and hats, to the amount, per bills, of about eight thousand dollars, shipped by W. C. Hopkins, or his agent, in the Great Wicomico river.

I find that Samuel J. Miles has sailed as a passenger on said schooner as agent for W. C. Hopkins. The parties who appear on the manifest, invoices, &c., are generally well known for their seccsh sentiments. Hopkins is said to be loyal. I enclose you a number of letters found at Miles & Hopkins's store when I was ordered by the War Department to arrest Samuel G. Miles and send him to Philadelphia to answer about his connexion with the schooner Secretary, in which David Risley was suspected of fitting out to run the blockade, which, after an examination before the honorable Judge Cadwallader, was discharged and sailed on her voyage. A short time after this decision you received affidavits from one of the hands sent you by Mr. Franklin, chief of detectives, Philadelphia, fixing her true character beyond doubt. I also enclose you a copy of statement made by Mr. Steptoe B. Taylor, now of this city, but a former resident of Northumberland, well known to me as one of our most loyal citizens. I enclose each letter in a paper with explanations. The permit is issued, as I understand, by Mr. Risley, the agent of the Treasury Department.

"I would remark by reference to the locality to which these goods are being shipped, and referring to the report of the late expedition of General Marston from Point Lookout to this very section of country to which this cargo is destined, misrepresentation must have been made to obtain this permit, especially as Miles seems to be covered up in the affair by his partner, Hopkins; as Miles's name does not appear in any place on the papers.

"I would also state that Colonel George H. Sharpe, assistant provost marshal general army of the Potomac, informed me by letter, in May last, that in a body of information furnished a court-martial at the headquarters army of the Potomac, it was developed that Samuel G. Miles was engaged in contraband business from St. George's island, in the Potomac river, to the Virginia shore, and that the information would be sent as soon as received to headquarters, &c.

"Miles is known as an active rebel in this city, and is often spoken of as a prince of contraband traders; our courts in Baltimore and Washington have the records of the fact. It may be possible that the government has some object in granting the permit which fully justifies its issue, under the impression that this section of country was still under General Meade. I wrote to Colonel Sharpe to look that these goods did not reach Richmond.

"Respectfully yours, &c.,

"J. L. McPHAIL,

"Provost Marshal General, State of Maryland."

"Major S. C. TURNER,

"Judge Advocate, War Department."

"BALTIMORE, February 1, 1864.

"Samuel G. Miles, some eight months since, came to me and offered me \$2,000 if I would obtain a permit from the government to send goods to Northumberland and Lancaster counties, Virginia, in my own name, and turn the same over to him. He said, at the same time, that his agent in those counties had sold some of his goods in said counties, and had been compelled to take Virginia and confederate money in payment, and that with said money he had purchased for him (Miles) grain, and that if he could get that out he could make a handsome thing out of it.

"I am well aware that Mr. Miles has been engaged in blockade running during the whole war, he has admitted the same to me. Mr. Miles was concerned in the cargo of the schooner Hampton, which was captured in the waters of Northumberland county, Virginia, about eight or ten months since, brought to Washington, and schooner and cargo condemned and sold. The goods were sent from here in the schooner Exchange, and transferred to the Hampton down the bay.

"S. B. TAYLOR."

"BALTIMORE, February 1, 1864.

"To all whom it may concern:

"The sloop Lydia has been sent forward to the Chesapeake bay to detect certain vessels that have lately left Baltimore under suspicious circumstances. The schooner Ann Hamilton, Captain Bell; A. W. Thompson, Captain Reeves; and several others who are suspicioned for changing cargo in the Chesapeake bay and its tributaries.

"They are directed to use all diligence in making discoveries, and in case of any facts being discovered to report to the flotilla gunboats at the mouth of Potomac river. They are particularly directed to visit Henry bay, Patuxent river, Magotty, South, and West rivers.

"J. L. McPHAIL,

"Provost Marshal General, State of Maryland."

436. Where is the permit under which the schooner sailed?

I do not know; if anywhere it must be in the hands of the Navy Department. The vessel was seized, taken to Washington and released. Her cargo was to come in to fill up the country through which General Marston had just gone with a raid for the purpose of depleting of these supplies. The most singular part of this transaction was, that the vessel had aboard a man who was, of all others, the most inimical to the government—a Mr. Samuel G. Miles. He went as agent to dispose of the goods, which, as I understood, were to be disposed of under the superintendence of a gunboat which came up there while we were there, but finding the object of our visit, left again. We remained all night.

437. What was the name of the gunboat?

I do not know.

438. What did you infer in reference to the object of the gunboat—that there was any collusion on its part with these disloyal parties?

I understood that the object of the gunboat was to see that the goods were properly disposed of.

439. How properly disposed of?

To supply families; that was the only condition under which parties were allowed to receive goods.

440. Did the vessel contain any articles contraband of war?

The expression, "contraband of war," is so variously interpreted that I hardly know how to reply. There were certainly goods on board which would give aid and comfort to the enemy. I remarked that only one week before that whole country had been depleted by the raid of General Marston, and the object of the raid was entirely defeated by allowing the country to be filled up again in this manner.

441. What do you know of any other prior or subsequent transaction in this matter?

On the 12th of April, 1864, my attention was attracted to another transaction. The steamer Philadelphia, a propeller, was lying at one of our wharves. I made a full report to the War Department, and made arrangements to detain her until I should receive instructions from Washington. I put a guard, not on the vessel, for I did not want to attract attention, but stationed two men in the vicinity of the steamer. I had her custom-house papers, all of them, in my possession. The propeller had not her steam up, and I thought the guard I had was sufficient for her detention; but while these men were watching, something attracted their attention, which they went around the corner to investigate, and before their return a tug came up and took the steamer in tow, and she escaped out of the port. I immediately went to Collector Hoffman and asked him to explain the very strange circumstance of the steamer being allowed to depart while her custom-house papers were in my possession. He told me a man by the name of G. W. Lane called on him and stated that I had stopped his vessel, but that upon explanation I had released it, but there was not time to get the papers back again; he requested new papers, which the collector gave him, and out the steamer went. This cargo will explain the cargo of the Ann Hamilton, for it was the identical cargo. I stopped the Philadelphia, which was then in charge of G. W. Lane; her manifest was made out for Fortress Monroe, but Lane admitted he intended to go to Chowan county, North Carolina, under the direction of General Butler, which letter he had in his possession. Many of the papers in connexion with this transaction are on file in the War Department. Lane stated to me in conversation that he was acting in some recognized capacity by authority; that everything was all right and correct; that he would not do anything wrong. He assured me he had the authority from the President for taking that cargo into the Chowan river. I said to him, "Show me your authority, and I am obliged to obey; still I will have to report your case to the War Department." He then stated he had not the authority with him, but that he would give me his recollections of the papers upon which his authority was based. Said I, "That is the next best thing you can do." He then sat down and made me this statement:

"Statement of application to the President of the United States for permission to ship goods to Chowan county, and bring out the products of that county in return.

"To his Excellency the PRESIDENT OF THE UNITED STATES:

"SIR: I have the honor to state that I think the public interest will be promoted if G. W. Lane should have permission to take cargoes of goods to Chowan county, North Carolina, and bring back products of that county in return, in all cases such goods and vessels being subject to the military authorities at this post.

"I have evidence of Mr. Lane's loyalty and trustworthiness.

"B. F. BUTLER,

"Major General Commanding.

"This statement is made according to my best recollection.

"This application was indorsed by the President of the United States the 21st day of March, 1864.

"G. W. LANE."

442. Upon that what did you do?

I immediately ordered him not to take the steamer out of the harbor, for I did not think this authority was sufficient. I then sent a statement of the case on to Washington, but something occupying the attention of the War Department on that day I failed to get any reply. On the next day I was obliged to report that the vessel had slipped from port. I was in hopes some arrangement would be made with Commodore Lee to overhaul her. I understood subsequently that Commodore Lee had overhauled her. In overhauling her myself I found among the papers something that attracted my attention as a singular document. It was a letter of mine which I addressed to Judge Turner, and which was referred by him to the War Department, on the subject of the expedition of the Ann Hamilton. I found a full copy of it in possession of Lane. It struck me that it was a paper no one had anything to do with outside of the department. I understood that it had been sent to Commodore Lee, but, however, as I said, Lane had a full copy of it. At that time we did most of our business in Washington with Judge Turner, because the War Department was so pressed with business that communications sent directly there did not meet with prompt action. I found this contract in the possession of Lane—not, however, on board the vessel—I mean the contract between Lane and A. M. Clark, who was formerly a large contractor in the Quartermaster's Department. It sets forth that they put in so much money for trading in the southern confederacy. Another contract gives also to a party in New York, by the name of Byron W. Clark, an interest for services rendered.

The contracts in full are as follows :

"Memorandum of an agreement made and concluded by and between Geo. W. Lane, of the one part, and A. M. White, of the other part.

"Witnesseth, that for the consideration hereafter mentioned, the said Geo. W. Lane doth agree to give and pay over to the said A. M. White, of the second part, an equal share of the profits of trading in the products of North Carolina and Virginia, and in the shipping of goods to the same sections of the confederacy, the amounts of profits to be determined and paid after the refunding of the paid-in capital to the parties paying in the same, and in consideration of which, the said A. M. White does agree to pay into the said Geo. W. Lane, for the purpose of trading in the products of North Carolina and Virginia, under a permit from the Treasury Department of the United States government, to bring out the said products, the sum of ten thousand dollars, and the said amount of ten thousand dollars to be refunded out of the first shipments of the products of the above-named sections.

"In witness whereof we have set our hands and seals this 16th day of February, 1864.

"Witness.

"G. W. LANE. [SEAL.]

"A. M. WHITE." [SEAL.]

"BALTIMORE, MD., February 15, 1864.

"Memorandum of agreement made between George W. Lane, of this city, and Byron W. Clark, of New York.

"Whereas, the said Lane proposes to engage in commercial transactions in the State of North Carolina, under the authority of the military and Treasury Departments of the United States, in the way of selling goods and purchasing cotton and other products, and sending the same to market. Now, in consideration of services rendered by said Clark to said Lane, the said Lane hereby agrees to pay the said Clark two-fifths of the net profits on such transactions, after his paying all expenses, and return to him his original capital invested, and also the said Lane is to pay John Sanborn for services rendered by him, which is not to be charged as expenses.

"The said Clark hereby agrees to purchase two-fifths of the goods which said Lane shall take down on the first purchase, provided said Lane shall request him to do so at the original cost.

"Witness our hands this 15th day of February, eighteen hundred and sixty-four.

"G. W. LANE.

"B. W. CLARK."

443 Who is this B. W. Clark?

B. W. Clark, I understood, was from the upper part of the State of New York. I have an impression that I heard that he was a candidate for governor of New York. I know nothing about him.

444. You do not know what his services were?

I only know, by information, that he was engaged, to use a common phrase, "in shoving things through." I say the contract with White shows, of itself, what was to be done with the cargo of the Ann Hamilton.

445. Who is George W. Lane?

He is a native of New Hampshire. He formerly kept a hotel in the city of Washington, but has recently been a resident of the city of Baltimore.

446. What hotel did he keep in Washington?

I do not know. I have only known him in Baltimore, since the war. He was a contractor in the Quartermaster's department.

447. Do you know anything further in relation to this affair of the steamer Philadelphia?

Here is a letter from Treasury Agent Morse, which, I imagine, had some bearing upon the case.

"NORFOLK, February 3, 1864.

"FRIEND LANE: The authority came to hand last evening, all O K, and the certified copy also.

I have no news to communicate, but am expecting some every day. Your friend, Mr. T., is here. I will come when necessary, or you can come down if you think best. Did you get the bonds for wife? She can send the money at any moment.

"Truly, yours,

"B. H. MORSE."

448. The writer of that letter is a treasury agent, is he?

Yes; I think he takes charge of abandoned property at Norfolk. He was formerly on L. C. Baker's force in Washington.

449. Where did you get that letter?

I got the letter from Lane. I found very few papers on board the steamer, and I said to Lane, you are going on a very extensive expedition, for the papers you have, if these are all. He said he had more, and started his clerk to get them. I started two of my men to go with the clerk—the clerk not knowing their object. As he entered the door, and my men saw that he had got the papers pretty well out, they came up and said they would go in. They did that to prevent the destruction of any of the papers if there had been any such intention. Among the papers returned by the clerk the following letter, from B. W. Clark, may throw some light on the transaction.

"NEW YORK, March 5, 1864.

"DEAR SIR: I sail this p. m. Mr. Orlando Allen, of Buffalo, New York, will have authority to trade in the counties we talkek of, at an early day. He is a perfectly reliable business man, and will make a favorable arrangement with you. Talk with him as freely as you would with me; he has the same friends that I have. I hope business will move soon.

"Truly, yours,

"B. W. CLARKE.

"CHARLES WHITLOCK, Esq.,

"76 F street, Island, Washington, D. C."

Here is another, with a fictitious signature:

"OFFICE OF THE ADAMS EXPRESS COMPANY,

"84 Washington street, Boston, Saturday, April 9, 1864.

"I came on from 'N. Y.,' and go back to-morrow. I expect to see you in Balto. by Wednesday.

"I trust that you have sent st'r so that we may have no delay on starting, on arrival at F. M. or Norfolk.

"Truly, &c.,

"CHICAGO.

"G. W. L."

The following, I suppose relates to the same subject:

"WASHINGTON, D. C., April 8, 1864.

"SIR: The goods of Mr. Whitlock's I put on the boat with his furniture, which will leave here to-morrow, and be in Cornfield harbor in time for you to tow him. The name of the boat is barge Redwing.

"Yours, truly,

"E. RICHMOND.

"Mr. G. W. LANE."

The following is the manifest of the vessel, giving precisely the same goods as were found on board of the Ann Hamilton:

"I, G. W. Lane, master or commander of the steamer called Philadelphia, of Baltimore, do swear to the truth of the within manifest; and that, to the best of my knowledge and belief, the goods, wares, and merchandise of foreign growth or manufacture therein contained were legally imported, and the duties thereupon paid or secured. So help me God.

"G. W. LANE."

"DISTRICT OF MARYLAND,

"Port of Baltimore, April 11, 1864.

"G. W. Lane, master of the steamer Philadelphia, having sworn, as the law directs, to the within manifest, consisting of articles of entry, and delivered duplicates thereof, permission is hereby granted to the said steamer Philadelphia to proceed to the port of Old Point, in the State of Virginia.

"G. B. MILLIGEN, Deputy Collector.

"F. S. EVANS, Deputy Naval Officer."

COASTING MANIFEST.

Manifest of the cargo on board the steamer Philadelphia, whereof G. W. Lane is master, burden 180 tons, bound from the port of Baltimore for Old Point.

Marks and numbers.	No. of entry.	Packages and contents.	Shippers.	Residence.	Consignees.	Residence.
Chas. Whitlock, Old Point, Va.	----	4 cases dry goods	G. W. Lane	Baltimore..	Charles Whitlock..	Old Point, Va.
		1 case stationery .....	.....do.....	.....do.....	.....do.....	Do.
		1 case medicines .....	.....do.....	.....do.....	.....do.....	Do.
		108 packages groceries .....	.....do.....	.....do.....	.....do.....	Do.
		2 cases hats .....	.....do.....	.....do.....	.....do.....	Do.
		1 lot wood ware .....	.....do.....	.....do.....	.....do.....	Do.
		1 box and package twine and rope .....	.....do.....	.....do.....	.....do.....	Do.
		60 ploughs .....	.....do.....	.....do.....	.....do.....	Do.
		1 box seeds .....	.....do.....	.....do.....	.....do.....	Do.
		5 bundles castings .....	.....do.....	.....do.....	.....do.....	Do.
		40 packages nails & hard- ware and vessel's stores .....	.....do.....	.....do.....	.....do.....	Do.

I also present to the committee the custom-house permit and the bills of lading of the Philadelphia:

"CUSTOM-HOUSE, BALTIMORE,

"Surveyor's Office, April 11, 1864.

"The transportation of the articles specified in the bills attached is permitted to C. Whitlock, Old Point, by special authority of the Secretary of the Treasury, based upon a request of the Secretary of War, said articles being required for 'military purposes.' The original on file in the collector's office, bearing date Washington, February 16, 1864. Three per cent. paid.

"JOHN F. McJILTON,

"Surveyor of the Customs.

"per THOMAS R. ROSS."

"To whom it may concern :

"This may certify that G. W. Lane has this day filed in my office an application for permit to ship from this port to Old Point, Virginia, to be delivered to Charles Whitlock, by way of Chesapeake bay, per steamer Philadelphia, the following described goods, wares, and merchandise, viz : 4 cases dry goods ; 1 case stationery ; 1 case medicines ; 108 packages groceries ; 2 cases hats ; 1 lot wood ware—equal to two cases ; 1 box twine, and lot small rope ; 60 ploughs ; 1 box seeds, and 5 bundles castings for ploughs ; 40 packages nails and hardware, which are of the aggregate value of \$6,813 28, and are contained in 226 packages, marked as above described. And the said G. W. Lane having filed copies of the invoices of the said goods, wares, and merchandise in my office, and made oath before me, pursuant to the regulations prescribed by the Secretary of the Treasury, September 11, 1863, concerning commercial intercourse with and in States declared in insurrection:

"Now, therefore, by virtue of the authority vested in me, I do hereby authorize and permit the said G. W. Lane to transport the said goods, wares, and merchandise by the route above named, to be delivered to Charles Whitlock, at Old Point, Virginia.

"This permit will expire and cease to have any force in ten days after date.

"In testimony whereof, I have hereunto affixed my name and seal of office the day and year of the date hereof.

"JOHN F. McJILTON,
"Surveyor of the Customs, &c."

Mr. G. W. LANE

Bought of E. WHITMAN & SONS,

Manufacturers and dealers in all kinds of agricultural implements, seeds, fertilizers, &c., Nos. 22 and 24 South Calvert street, corner of Mercer street:

To 5 dozen ploughs	\$198 00
1 box seeds	20 00
Drayage	2 00
	<hr/>
	220 00
	<hr/>

Received payment:

(Duplicate.)

E. WHITMAN & SONS.

Mr. G. W. LANE

Bought of W. HENRY JOHNSON,

Dealer in buckets, brooms, and twines, 66 S. Calvert street:

$\frac{1}{2}$ dozen spruce pails, at \$4	\$2 00
$\frac{1}{2}$ " ship pails, at \$7 50	3 75
510 " gill twine, at \$1 50	765 00
193 " cotton rope, at \$1 10	212 30
Box and drayage	1 50
	<hr/>
	984 55
2 coils rope, at 34	37 40
	<hr/>
	1,021 95
	<hr/>

Received payment:

(Duplicate.)

W. H. JOHNSON.

APRIL 7, 1864.

Mr. G. W. LANE, Mr. CHA'S WHITLOCK

Bought of E. WHITMAN & SONS,

Manufacturers &c., No. 22 and 24 South Calvert street:

To 181 castings, &c., at 5 cents	\$9 05
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Received payment:

(Duplicate.)

E. WHITMAN & SONS.

BALTIMORE, April 4, 1864.

Mr. CHAS. WHITLOCK

Bought of MILES & HOPKINS:

10 barrels Porto Rico sugar, 2,643—180=2,463 pounds., at 15 cents	\$374 95
8 " 440 white sugar, 2,130—160=1,972 pounds, at 19 cents	379 03

H. Rep. Com. 24—4

10 barrels, 1,259 molasses, 442—10=432 gallons, at 60 cents.....	\$271 70
5 bags Rio coffee, 809 pounds, at 39 cents.....	315 51
1 chest green tea, 47 pounds, at \$1 75.....	82 25
1 " green tea, 42 pounds, at \$1 50.....	63 00
25 boxes concentrated lye, 100 dozen, at \$2 75.....	275 00
4 dozen hoes, 1 \$4 75; 1 \$5 ; 1 \$6 ; 1 \$6 50.....	22 25
4 " axes, at \$13 50.....	54 00
2 " shovels, 1 \$10; 1 \$11.....	21 00
2 " spades, 1 \$10; 1 \$6.....	18 00
10 kegs nails, at \$5 35.....	53 50
2 kegs bread soda, 224 pounds, at 9 cents.....	20 16
10 sacks fine salt, at \$3.....	30 00
5 " G. A. salt, at \$2 75.....	13 75
10 " dairy salt, 620 bags, 8 and sack, at \$5.....	54 60
4 dozen buckets, 1 at \$2 75; 1 \$2 50; 1 \$2 60; 1 \$3 50.....	11 35
6 nests washing tubs, at \$6 25.....	37 50
4 " flour pails, at \$1 50.....	6 00
1 box rolling-pins.....	2 00
1 dozen sugar boxes.....	3 75
2 wood measures, 1 at \$1; 1 at 60 cents; 1 at 60 cents.....	2 20
Drayage on groceries.....	6 76
No. 3, 1 box hats, 6 dozen nutria, at \$13 50.....	81 00
No. 6, 1 box hats, 2 dozen Hungarian, at \$28 70, and cases.....	58 50
5 bags Rio coffee, 653 pounds, at 42 cents.....	274 26
2 chests black tea, 54—13; 54—13: net 82 pounds, at \$1 40.....	114 80
10 dozen hoes, 4 at \$6 50; 4 \$7 50; 1 \$6; 1 \$7 50.....	69 50
4 " trace chains, 1 at 90 cents; 1 \$1; 1 \$1 25; 1 \$1 40.....	55 80
1 box bottle snuff, 3 dozen, at \$4.....	12 00
10 boxes starch, 411 pounds, at 9 $\frac{3}{4}$ cents.....	40 07
10 kegs nails, at \$6 60.....	66 00
6 dozen axes, at \$16.....	96 00
Drayage.....	2 00
	<hr/>
	2,988 23
	<hr/>

BALTIMORE, April 4, 1864.

Mr. C. WHITLOCK

Bought of WHITNEY, CUSHING & Co.,
Blank-book manufacturers, &c., No. 6 North Howard street:

10 reams letter paper, at \$3 50.....	\$35 00
22 " note paper, at \$2.....	44 00
10 " cap paper, at \$3 75.....	37 50
10 " cap paper, at \$2 90.....	29 00
7 gross ink, at \$5 50.....	5 50
11,000 buff envelopes, at \$2 50.....	27 50
2,000 fine white note envelopes, at \$4 25.....	8 50
1 gross peneils, at \$4.....	4 00
2 " penholders, 1 at \$1; 1 \$1 50.....	2 50
10 " steel pens, at 40 cents.....	4 00
15 " steel pens, at 75 cents.....	11 25
Box.....	1 75
	<hr/>
	210 50
	<hr/>

Received payment:

WHITNEY, CUSHING & CO.

BALTIMORE, 4 mo. 6, 1864.

CHAS. WHITLOCK, Fort Monroe, Va.,

Bought of JNO. M. BARTLETT,
Druggist, No. 70 South Calvert street :

10 dozen castor oil, at \$1.....	\$10 00
2 " castor oil, pints, at \$3 50.....	7 00
6 " sweet oil, at \$1.....	6 00
5 " essence peppermint, at 60 cents.....	3 00
5 " essence cinnamon, at 60 cents.....	3 00

5 dozen essence lemon, at 60 cents.....	\$3 00
5 " spirits camphor, at \$1.....	5 00
6 " British oil, at 75 cents.....	4 50
6 " Bateman's drops, at 75 cents.....	4 50
6 " Godfrey's cordial, at 75 cents.....	4 50
4 " rose hair oil, at \$1 25.....	5 00
2 " Holloway's confection, at \$2.....	4 00
4 " P. & W. magnesia, at \$2 25.....	9 00
4 " number six, at \$1 50.....	6 00
2 " Davis's pain-killer, at \$1 50.....	3 00
2 " Hunt's liniment, at \$2 25.....	4 50
2 " mustang liniment, at \$2.....	4 00
20 pounds Epsom salts, at 5 cents.....	1 00
5 " cream tartar, at 75 cents.....	3 75
10 " flor. sulphur, at 9 cents.....	90
5 dozen laudanum, at \$1 50.....	7 50
5 " paregoric, at \$1.....	5 00
5 pounds gum camphor, at \$1 75.....	8 75
1 dozen Seidlitz powders.....	4 00
4 " Wright's pills, at \$1 75.....	7 00
4 " hive sirup, at 75 cents.....	3 00
4 " sirup squills, at 75 cents.....	3 00
1 pound canth. plaster.....	2 00
4 dozen cologne, at 75 cents.....	3 00
2 " liqr. opodeldoc, at \$1 50.....	3 00
2 " Brown's essence ginger, at \$4.....	8 00
1 " Lyon's kalthairon.....	2 50
4 " Bull's cough sirup, at \$2.....	8 00
2 " Sing's itch ointment, at \$2 50.....	5 00
$\frac{1}{2}$ " John Bull's sarsap., at \$9.....	4 50
Box, 75 cents; drayage, 37 cents.....	1 12

167 02

Received payment:

JOHN M. BARTLETT,
Per DAVIS.

BALTIMORE, April 4, 1864.

Mr. CHAS. WHITLOCK

Bought of Jno. W. BRUFF & Co.,

Importers and jobbers, &c., &c., No. 245 Market street, between Charles and Howard:

No. 1, 1 piece Irish linen, 33 $\frac{1}{2}$ yards, at 50 cents.....	\$16 75
No. 2, 1 piece Irish linen, 34 yards, at 70 cents.....	23 80
1 piece bleached crash, 27 $\frac{1}{2}$ yards, at 17 $\frac{1}{2}$ cents.....	4 82
E 2 pieces bro. crash, 40 yards, at 15 cents.....	6 00
2 pieces bro. crash, 52 yards, at 17 $\frac{1}{2}$ cents.....	9 10
1 piece farmers' drill, 52 yards, at 35 cents.....	18 20
3 pieces planters' linen, 149 $\frac{1}{2}$ yards, at 35 cents.....	52 33
1 piece drab alpacca, 50 $\frac{1}{4}$ yards, at 60 cents.....	30 15
No. 1, 1 piece black alpacca, 48 yards, at 45 cents.....	21 60
No. 2, 1 piece black alpacca, 44 $\frac{1}{2}$ yards, at 55 cents.....	24 48
No. 3, 1 piece black alpacca, 42 $\frac{1}{2}$ yards, at 60 cents.....	25 50
2 pieces plaid mohair, 103 $\frac{1}{2}$ yards, at 37 $\frac{1}{2}$ cents.....	38 91
7 " printed delaine, 256 $\frac{1}{4}$ yards, at 32 cents.....	82 00
2 " plain delaine, 75.9 metre, 82 yards, at 65 cents.....	53 30
2 " shepherds' check, 101 $\frac{1}{2}$ yards, at 30 cents.....	30 48
No. 1, 6 pieces fancy prints, 273 $\frac{1}{2}$ yards, at 16 cents.....	43 76
No. 2, 5 " fancy prints, 208 $\frac{1}{2}$ yards, at 20 cents.....	41 70
No. 3, 7 " fancy prints, 315 $\frac{1}{2}$ yards, at 19 cents.....	59 94
No. 4, 6 " fancy prints, 253 $\frac{1}{4}$ yards, at 23 cents.....	58 25
4 pieces purple prints, 188 yards, at 23 cents.....	43 24
5 " black and white prints, 218 $\frac{1}{4}$ yards, at 22 $\frac{1}{2}$ cents.....	49 11
3 " colored cambric, 127 $\frac{3}{4}$ yards, at 20 cents.....	25 55
1 piece gray mixed cassimere, 29 $\frac{3}{4}$ yards, at \$1 50.....	44 25
1 " black ribbed cassimere, 28 $\frac{1}{2}$ yards, at \$ 62 $\frac{1}{2}$	46 31

1 piece doeskin cassimere, 25 $\frac{3}{4}$ yards, at \$1 50.....	\$38 62
1 " union check cassimere, 29 $\frac{1}{4}$ yards, at \$1.....	29 25
1 " fancy check, 18 $\frac{3}{4}$ yards, at \$1 50.....	28 12
1 " super. check, 28 yards, at \$1 75.....	49 00
1 " boys' check, 44 $\frac{1}{4}$ yards, at 50 cents.....	22 25
1 " dark mixed satinnet, 26 yards, at 75 cents.....	19 50
1 " fancy mixed satinnet, 20 yards, at 50 cents.....	10 00
2 pieces super. mixed satinnet, 58 $\frac{3}{4}$ yards, at 75 cents.....	44 06
1 piece $\frac{9}{4}$ kersey, 37 $\frac{1}{4}$ yards, at \$1 75.....	65 19
1 " Arkansas kersey, 31 yards, at 50 cents.....	15 50
4 pieces striped domestic, 271 $\frac{3}{4}$ yards, at 30 cents.....	81 83
1 piece apron check, 66 $\frac{3}{4}$ yards, at 22 cents.....	14 57
1 " white flannel, 31 yards, at 45 cents.....	13 95
1 " white flannel, 26 $\frac{1}{2}$ yards, at 55 cents.....	14 57
1 " red flannel, 32 yards, at 42 $\frac{1}{2}$ cents.....	13 60
1 " red flannel, 26 $\frac{1}{2}$ yards, at 45 cents.....	11 93
1 " twilled flannel, 53 $\frac{1}{4}$ yards, at 55 cents.....	29 29
2 pieces blue demins, 136 yards, at 22 cents.....	29 92
1 piece blue demins, 48 $\frac{1}{2}$ yards, at 25 cents.....	12 12
1 " blue demins, 48 $\frac{3}{4}$ yards, at 37 $\frac{1}{2}$ cents.....	18 28
1 " bed ticking, 60 yards, at 31 cents.....	18 60
1 " bed ticking, 42 $\frac{1}{2}$ yards, at 40 cents.....	17 00
2 pieces striped shirtings, 111 $\frac{1}{2}$ yards, at 25 cents.....	27 81
1 piece bleached jeans, 37 $\frac{1}{4}$ yards, at 25 cents.....	9 81
4 pieces bleached shirting, 162 $\frac{1}{2}$ yards, at 20 cents.....	32 50
4 " bleached shirting, 183 $\frac{1}{4}$ yards, at 22 $\frac{1}{2}$ cents.....	41 23
2 " do. do. 77 $\frac{1}{2}$ yards, at 30 cents.....	23 25
2 " do. do. 91 $\frac{1}{2}$ yards, at 33.....	30 11
2 " brown drill, 83 $\frac{3}{4}$ yards, at 35 cents.....	29 31
2 " brown drill, 77 $\frac{1}{2}$ yards, at 45 cents.....	34 87
1 piece Canton flannel, 37 $\frac{1}{2}$ yards, at 37 $\frac{1}{2}$ cents.....	13 87
No. 1, 4 pieces brown shirting, 181 $\frac{1}{2}$ yards, at 17 cents.....	30 86
No. 2, 4 " do. do. 164 $\frac{1}{2}$ yards, at 19 cents.....	31 25
No. 3, 4 " do. do. 180 $\frac{3}{4}$ yards, at 25 cents.....	45 19
No. 4, 5 " do. do. 219 yards, at 32 cents.....	70 68
No. 5, 4 " do. do. 175 yards, at 35 cents.....	61 25
No. 6, 2 " do. do. 86 $\frac{1}{4}$ yards, at 40 cents.....	34 60
2 dozen wool shirts, at \$18.....	36 00
1 piece black silk, 45 yards, at \$1 50.....	67 50
2 pieces ship's valencia, 99 yards, at 37 $\frac{1}{2}$ cents.....	37 13
3 " colored Canton flannel, 121 $\frac{1}{4}$ yards, at 28 cents.....	33 95
4 " plaid gingham, 168 $\frac{1}{4}$ yards, at 28 cents.....	47 11
1 pound sewing silk.....	7 00
Boxes and drayage.....	5 50

2, 196 53

Mr. CHAREES WHITLOCK

Bought of MILES & HOPKINS:

10 barrels 550 P. R. sugar, 264—18; 291—18; 260—18; 256—18; 250—18; 268—18; 263—18; 252—18; 263—18; 276—18=2,643—180=2,463 pounds, at 15 cents.....	\$374 95
5 barrels 275 white sugar, 266—18; 259—20; 256—22; 265—18; 262—22. =1,306—100=1,206 pounds, at 19 cents.....	231 89
10 barrels 1,250 molasses, 41 $\frac{1}{2}$ —1; 42—1; 44—1, 44 $\frac{1}{2}$ —1; 43—1; 43 $\frac{1}{2}$ —1; 47—1; 45—1; 46—1; 45 $\frac{1}{2}$ —1=442—10=432 gallons, at 60 cents.....	271 70
5 bags Rio coffee, 809 pounds, at 39 cents.....	315 51
1 chest imperial green tea, 62—15=47 pounds, at \$1 75.....	82 25
1 " imperial green tea, 56—14=42 pounds, at \$1 50.....	63 00
25 boxes concentrated lye, 100 dozen cans, at \$2 75.....	275 00
4 dozen hoes, 1 \$4 75; 1 \$5; 1 \$6; 1 \$6 50.....	22 25
4 " axes, at \$13 50.....	54 00
2 " shovels, 1 \$11; 1 \$10.....	21 00
2 " spades, 1 \$10; 1 \$8.....	18 00
10 casks nails, at \$5 35.....	53 50

6 kegs bread soda, 672 pounds, at 9 cents, hhd. \$1.....	\$61 48
15 sacks G. A. salt, at \$2 75.....	41 25
10 " dairy salt, at \$5; 620 bags, at 8 cents.....	54 60
4 cases dry goods, as per invoice.....	2,196 53
No. 1, case 5 dozen pearl and drab hats, at \$15.....	75 00
No. 1, " 1 " pearl and drab hats.....	18 00
No. 2, " 4 " fine black hats, at \$26 50.....	106 00
No. 3, " 6 " nutria Saxony hats, at \$12.....	72 00
No. 4, " 6 " boys' fancy hats.....	54 00
No. 5, " 6 " black and pearl gala hats, at \$12 50.....	75 00
No. 6, " 2 " men's Hungarian hats, at \$25 50.....	51 00
6 cases.....	3 00
Add 12½ per cent.....	56 38
Large cases to pack hats.....	3 00
ONE CASE:	
1 dozen three-hoop painted buckets.....	2 75
2 " two-hoop, 1 \$2 50; 1 \$2 60.....	5 10
1 " spruce.....	3 50
6 nests washing tubs, at \$6 25.....	37 50
1 box rolling pins.....	2 00
4 nests flour pails, at \$1 50.....	6 00
1 dozen sugar boxes.....	3 75
2 half-bushel measures, 1 peck measure.....	2 20
3 gross small blacking.....	10 50
	<hr/>
	4,723 29
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The following letters of Mr. Lane will show pretty clearly the destination of the goods:

"BALTIMORE, MARYLAND, *April 4, 1864.*

"GENTS: In reply to your proposition I would state that I will deliver to you goods in Edenton, Chowan county, or vicinity, at such points as I may be permitted to, at seventy-five (75) per cent. advance on the original cost in Baltimore; and any return cargoes of goods which I may bring for you from that vicinity to Baltimore. I will do for one-half the net profits on such goods; which interest shall be paid immediately after sale has been made.

"Very respectfully,

"G. W. LANE.

"MESSRS. MILES & HOPKINS."

450. Where is G. W. Lane at the present time?

I do not know; I heard that he was in the custody of the Navy Department.

451. State anything further that occurred in relation to the Philadelphia.

In my conversation with Lane, I showed him where I thought his papers were illegal, that it was clear that his goods were intended for North Carolina; that his vessel was cleared for Fortress Monroe, which was evidently a fraud. If he intended to go to North Carolina, I told him I thought he had better have the collector give him a clearance for the place of destination. He said that it was a new thing, and that he thought it could be arranged better at Fortress Monroe; that General Butler intended to give him a pass at Fortress Monroe, which would enable him to take his steamer through the canal, from Norfolk, to the Chowan river, in the neighborhood of Edenton. The statement was so unsatisfactory to me that I determined to retain his vessel until I could hear from the War Department, and if they directed the release of the vessel I would release it; but he released it himself that night. I know of his being taken twice since; once by General Palmer, and by the fleet the second time. The following communications were addressed to Judge Turner, of the War Department, on the subject:

"BALTIMORE, *April 12, 1864.*

"SIR: I desire respectfully to call the attention of the War Department to the enclosed copies of letters and papers found aboard the steamer Philadelphia this morning when about leaving her wharf, with assorted cargo, consisting of dry goods, groceries, and hardware, for Fortress Monroe, Virginia, shipped by G. W. Lane, formerly a contractor of this city, to a Charles Whitlock, purporting to be at Fortress Monroe, Virginia. I am informed by Mr. Lane that General Butler has promised to give a permit, on recommendation of the President, (copy of a copy enclosed,) when he thinks it proper and prudent to go into North Carolina. One of the papers enclosed mentions a transaction relative to taking goods to Chowan county

by G. W. Lane on a proposition made by Miles & Hopkins, which I thought worthy of attention under the circumstances, as the goods found aboard the steamer are the same that Miles & Hopkins tried to send south by the schooner Ann Hamilton. Mr. Lane informs me that he purchased the goods of Miles & Hopkins, and expects that General Butler will let him take them to North Carolina, and bring out products from that county. I also found among the papers a copy of my letter to you, dated February 9, about the steamer Princeton. One of the notes enclosed is from E. Richmond, of Washington, who expects to meet the steamer in Cornfield harbor, on the Potomac river.

"I found her papers and clearance all regular, but will detain her until I hear from you by telegraph.

"Yours, &c.,

"J. L. McPHAIL,

"*Provost Marshal General, State of Maryland.*

"Major S. C. TURNER, *Judge Advocate.*"

"OFFICE OF THE PROVOST MARSHAL GENERAL OF THE STATE OF MARYLAND,

"*Baltimore, April 13, 1864.*

"DEAR SIR: The propeller Philadelphia, which I reported to you yesterday as having certain goods cleared for Fortress Monroe, which were intended, per papers found and statement of Mr. G. W. Lane, for North Carolina, left the wharf late this afternoon, while my men were temporarily absent. I presume some new arrangement was made with the custom-house authorities, as she left her papers in my hands. I had stopped her upon the suspicious circumstances surrounding her cargo, and with the apparent approval of Captain G. W. Lane, the owner, who expressed himself desirous of doing nothing wrong, and hoped he would be put right in the matter. I expressed to Captain Lane that it was my opinion that goods intended for North Carolina should be so cleared; if by Fortress Monroe, it should be North Carolina, *via*. Fortress Monroe, Virginia.

"I have just seen Collector Hoffman, who told me that Captain Lane got duplicate copies of his papers to-day; and as the cargo was properly manifested, he saw no reason why she should not be permitted to go as cleared to Fortress Monroe, and that would be the place to settle the affair. This accounts for her leaving. I regret it; but she can be stopped at Fortress Monroe or Cornfield harbor, on the Potomac, by either letting Com. Parker, at Point Lookout or Washington navy yard, or Admiral Lee, at Fortress Monroe, know of the matter.

"Respectfully, yours, &c.,

"J. L. McPHAIL,

"*Provost Marshal General of the State of Maryland.*

"Major S. C. TURNER,

"*Judge Advocate, War Department.*"

"BALTIMORE, April 13, 1864.

"The propeller Philadelphia left this evening, after notice had been given not to leave until the War Department had been heard from. Com. Lee, at Fortress Monroe, and Com. Parker, at Point Lookout, ought to have notice of it at once, to apprehend her, if necessary. She may stop in Cornfield harbor.

"J. L. McPHAIL,

"*Provost Marshal General of the State of Maryland.*

"S. C. TURNER,

"*Judge Advocate, War Department.*"

451. Do you know anything of more recent exploits of G. W. Lane?

None to my knowledge.

452. Do you know anything further of transactions of this description?

Nothing, that I recollect, that is illegal. Of course, while acting under the orders of the army of the Potomac I may have known of goods taken out by spies, but that is pretty much all.

LEONIDAS HASKELL called, sworn, and examined.

By the chairman :

453. Be good enough to state to the committee your residence and business.

I am living temporarily in Washington; my residence, however, is in New York. I have no particular business at this time; I was in the army last summer.

454. In what capacity were you serving in the army?

As major.

455. In what branch of the service?

As a staff-officer of General Frémont.

456. Have you, since the breaking out of the rebellion, been connected in trade with the rebellious States? If so, when, with whom connected, and to what extent?

Within a few months, about September, I undertook to do something under the law regulating the trade between the United States and the insurrectionary States. About that time I resigned my commission. Before General Frémont withdrew from the presidential canvass, I had conversations with Mr. Martin, of the Ocean Bank, and Mr. Dole—with Mr. Dole first, and Mr. Martin afterwards. Mr. Dole wished me to use all the efforts I could to induce General Frémont to withdraw. It did not require any effort on my part; I did, however, express my opinion to him. He did withdraw. Mr. Dole expressed himself very much gratified, and said anything he could do for me in regard to the cotton trade he would be very glad to do. He introduced me to D. Randolph Martin. I had been in the army for a long time, and made no money. The representations made to me by Mr. Martin were flattering rather than otherwise. We were talking over the matter. He told me about the regulations that would be adopted, and made suggestions about them. He told me how these regulations would operate, &c. It looked very fair. I had known parties who professed to have brought out cotton. It was finally decided that, for their influence in getting this permit, which I foresaw would take considerable time and trouble, Mr. Martin and his friend should have two-sixths of the profits of the transactions; that, as a sort of brokerage, I should have one-sixth of the profits, and the other half go to the parties who had out the cotton. I spent considerable time and labor in the matter, and got up a couple of applications of that kind, or got parties to make out applications. There seemed to be a long delay in getting the regulations fixed and the permits signed. The result was, Mr. Martin informed me that these two particular cases could not be got through; that the President or Secretary would not sign them; but as his friend Ellery was appointed at Memphis, if I would go there he would do anything he could do for me. But after making some investigations, I saw plainly I could get no cotton in Memphis. It was a kind of business I could not very well do, and I declined to go to Memphis, so that the matter with these gentlemen all fell through. They got their permits and went on, but I had nothing to do with them. My mind had been directed to making something out of cotton, and I disliked to abandon the project. I met B. F. Camp accidentally, and learned something of the manner of getting these things. He said to me that if I would give him the same interest I had agreed to give Mr. Martin he would get me a permit. I told him to do it, and Mr. Camp undertook it. After quite a long time Mr. Camp did bring me two permits, or whatever they are called that he had obtained.

457. In whose names were these permits or certificates issued?

The first one was to Lazare, Camp & Brooks, and the second to Norris, Champion & Camp.

458. Who are Champion and Camp?

J. D. Champion and B. F. Camp.

459. Who is Lazare?

Mr. Lazare is a gentleman I got acquainted with at Cairo in the winter of 1861; he had a contract for baking bread for the post of Cairo. I met him in New York, and in the course of conversation he told me he had cotton in Mississippi, and that he had General Sherman's permit to get it out, or permitting the party of whom he had purchased it to bring it out. His representation was very fair, and the order of General Sherman seemed to be valuable.

460. Did you see General Sherman's order?

Yes. When the permits came back, this one for Lazare, Camp & Brooks, Lazare not understanding that Brooks was to be a partner, declined to have anything to do with it. Mr. Brooks is a young man from California, son of a very warm friend of mine. I wanted to be represented in the business some way.

461. And is Mr. Brooks's name was put in for yours?

Substantially for me.

462. Is that the contract you refer to? (contract heretofore embodied in the testimony under question 294.)

Yes, sir.

463. Who is the certificate given to now?

It appears now to be given to Henrie Lovie, Camp & Brooks.

464. Is it the same contract originally given to Lazare, Camp & Brooks?

It is the same paper.

465. How did Mr. Lovie's name come to be there?

I will explain all that I know about it. Mr. Lazare concluded not to have anything to do with the matter. Martin was to have half of the net profits, provided that permits were obtained that would allow goods to be taken into the rebel country. Martin presumed that that permit would take goods in where cotton was to be brought out. Mr. Lazare did not so understand it. He concluded he could get a permit as well as Martin, and declined to sign the contract. This paper was handed to me by Camp, at the Treasury Department.

and was taken to New York to be signed, but Lazare declined to operate on this, and declined to sign the contract. It went along that way for some time. I felt very much annoyed about the matter; I had spent a good deal of time in reference to it. I finally found a Mr. Tibbits, who was stopping at the Fifth Avenue hotel. He appeared to be a very fine man. He said he could make use of the contract and operate under it. He said he would introduce me to his partner, and he did so. I found his partner to be Mr. Lovie, an old acquaintance of mine. It was proposed that Lovie should take the place of Lazare in the operation. I told Camp there was an impediment in the way; that I would not advise any one to operate under the permit without Lazare's consent at least. Camp said if I would give him the permit, he would get the President's authority to alter it. As the certificate had not been signed, I saw no objection to that, any way. The same day I met for the first time Mr. Conatty, who was there, at the Astor House, with Mr. Risley, doing some business. I said to him, that Mr. Camp desired to send these papers back to Mr. Risley to have some alterations made, and that if he would go down with me, I would introduce him to Mr. Tibbits, who would explain to him the alterations he would like to have made. We went down to a Mr. Kimball's office in Wall street. I handed Mr. Conatty the papers. Mr. Kimball said the only alteration required was to have Mr. Lovie's name substituted for that of Mr. Lazare. Mr. Conatty took the papers, came on to Washington, and in a few days they were returned as they are now. I should have remarked that Tibbits said that if we could get a part of Louisiana, it would be a great advantage to us. Subsequently Tibbits and Camp had a conversation, in which I do not believe they agreed well, and after that Tibbits declined to have anything to do with it. The contract had been reduced to writing, but it had never been executed; nothing more was done about it; I took the papers; Camp asked me for them several times, but I kept them; the last I knew of them they were at my boarding house, at the Irving House, New York.

466. Do you understand that the regulations of the Treasury Department require some man to say that he has cotton in his control before any certificate can be granted?

So I have understood. I suppose parties made general statements in regard to the matter. I would not like, myself, to say I controlled a certain amount of cotton unless I had it within my control.

467. Lazare was the man who was supposed to have cotton within his control, was he not?

Yes, sir.

468. And he was the one upon whom this whole thing was bottomed?

Yes, sir; upon him entirely.

469. The certificate was issued upon the ground that he had purchased and had the control of cotton?

Yes, sir. You will find his affidavit in the Treasury Department, that he had cotton in his control.

470. Was it the rule in the Treasury Department that such an affidavit should be filed before a certificate could be issued?

It is not now, as I understand. We presumed it would be then, and therefore the affidavit was filed.

471. What other reasons had Mr. Lazare for drawing out of the transaction, beside the one you have stated?

I do not know of anything else; I had but little conversation with him after I found he was dissatisfied with the arrangement that had been made.

472. Was this alteration made at your suggestion?

Not on my suggestion. Camp told me he could have it made.

473. Did you speak to Mr. Conatty about it?

I told Mr. C. to see Mr. Tibbits, and handed him the papers.

474. Was the alteration made there?

I do not know where the alteration was made.

475. Did you talk with Mr. Risley about this?

No, sir.

476. Did you tell Mr. Conatty that you had talked with Mr. Risley?

No, sir; I told Mr. Conatty that Mr. Camp had said, not that Mr. Risley could make the alterations, for I did not suppose Mr. Risley could alter anything except his own certificate, but that he could get the alteration made.

477. Who was it proposed should make the alteration?

Mr. Camp said he would get the President to have the alteration made; I presumed it was made by his order, and up to the present time I have no knowledge that it was not made by order of the President.

478. Are you certain you never told Mr. Conatty that you had talked with Mr. Risley, and obtained his consent to have the alteration made?

No, sir; I had not seen Mr. Risley; I have never had fifteen minutes' conversation with him.

By Mr. Perry:

479. Was not this change made at the Astor House, New York?

I cannot tell; I gave the papers to Mr. Conatty, who came on here, and while he had the papers the change was made. I do not know when it was made, or who made it.

480. How long were the papers out of your possession?

I suppose not more than three or four days at most.

481. Do I understand anything was ever done under that contract?

Not a thing.

482. Be good enough now to state in regard to the certificate in which the name of Norris appears. Who was Norris?

Norris was an old Californian from 1842, a man of a great deal of property in real estate, and well known. He became deaf from pounding given him by squatters. Subsequently he traded his farm for land in Texas, and his property in Texas was taken by the rebels. When General Banks proposed to go there last year, he went in advance of the army, secured some cotton, and paid for it, as he alleges, and as I have reason to believe he did; some 6,000 bales in all. The rebels told him they would not burn his cotton, but would let him get it out if he could. I met him at the Metropolitan hotel, in New York, and told him about this proposed venture. It occurred to me, as I knew he was a loyal man, and a man who really owned cotton, or controlled it, at any rate, he would be a good man to be interested with. He made an affidavit that he owned cotton, which affidavit is on file in the Treasury Department. I asked Mr. Martin to obtain a permit for Mr. Norris to get his cotton out. Norris had agreed also to give Mr. Martin one-half of the profits, but, as I remarked before, Mr. Martin failed to get the certificate.

483. Was anything further done with that certificate?

Yes, I gave that case also to Mr. Camp.

484. For how many bales?

13,000. Mr. Norris only claimed 6,000, but when the certificate came back it was for 13,000, and the names of Champion and Camp were also in it.

485. Who had the other 7,000 bales?

I do not know.

486. Were Champion and Camp in situations to own or hold property in the rebel States?

Champion may have been; I do not know. I should suppose Camp was not. I do not know why it came back in that way. Norris declined to have anything to do with it in that shape, and nothing was ever done under it.

487. Have you been connected with any further transaction in relation to this matter?

Yes, sir; one other.

488. State the circumstances and what was done.

Some time after this meeting with Conatty in New York, in January I think, Conatty told me he could get me a permit to operate in Augusta. There was a man from Augusta in New York who told me he had cotton there, and gave me a memorandum of the place where his cotton was in Augusta. He told me he would give me an interest in that cotton, and I agreed to go into it. Mr. Conatty proposed that he should have one-quarter of the profits; to which I assented. He asked me if he should use my name. I said yes, and Mr. Conatty then got a permit in the name of Conatty & Haskell for 20,000 bales of cotton. I never saw Mr. Risley about it at all.

489. Who made the application?

Mr. Conatty. I had no words with Mr. Risley on the subject.

490. Have you that permit now?

It is in the hands of a man from Savannah.

491. In whose hands is it in Savannah?

In the hands of a man by the name of Bell.

492. Who is Mr. Bell?

He was years ago in California. He was an elector in 1856 on the republican ticket in California. I think he has been in the east ever since.

493. What did you send out to purchase this cotton with?

Nothing.

494. Who was going to furnish the money?

Mr. Bell was going to furnish the money?

495. What were you and Mr. Conatty to do?

Nothing at all. We put in our talent—nothing else.

496. Have you heard anything of the operation since?

I heard indirectly from Bell, but I do not think he has been doing anything under the permit.

497. Are these the only transactions you have had in reference to this description of trade?

Yes; they are the only transactions I have had anything to do with.

498. Have there been any transfers made to you in connexion with any cotton transactions with other parties?

Yes; Mr. Norris gave me a contract for one-sixth interest in his cotton, which contract I suppose he has abandoned, as he has done nothing under it.

499. Do you know of any cotton transactions in which Beverley Tucker has been engaged? I know of one in which some parties undertook to have him engaged?

500. Who were the parties who undertook to have him engaged?

Mr. Durant.

501. Who is the Beverley Tucker you refer to?

There is only one I know of by that name.

502. Who do you understand him to be?

I understand him to be a rebel in Canada.

503. What do you understand the transaction between him and Mr. Durant to have been?

I understand Mr. Durant undertook to contract with Mr. Tucker to get out cotton.

504. What do you know about it?

I know he undertook through Colonel Baker to make some arrangement with Beverley Tucker, but it was not carried out, as I did not suppose it would be.

505. What arrangements were there?

The arrangements were, as I understood them, to make a contract by which Mr. Durant was to deliver a certain amount of goods for a certain amount of cotton to be delivered by Beverley Tucker.

506. What kind of goods?

Pork, I think it was; there was some talk about salt, but I think pork was the article to be contracted for.

507. How large a contract?

It strikes me for 10,000 bales of cotton.

508. Will you state what you know about this paper, which purports to be a draft?

No. 1.

"For and in consideration of one dollar to me in hand paid by Leonidas Haskell, the receipt whereof is hereby acknowledged, and for other valuable considerations, I hereby agree to pay over to the said Haskell one-tenth part of all profits which may be made in any transaction with Beverley Tucker in 10,000 bales of cotton, as well as in any other cotton or any other merchandise taken in or out of the confederate lines under the regulations of the Treasury Department, in which said Durant and Tucker may be interested. The profits shall be estimated by reckoning the actual cost of the merchandise and the actual cost of the cotton at the point of purchase, adding only cost of transportation and United States taxes. No other charge shall be made against the business. I also agree to pay said Haskell fifteen hundred dollars on demand for expenses. A true and accurate account of said business shall be kept, subject to examination by said Haskell."

Witness. Yes, sir; that is a copy made by Mr. Durant himself, which was never fulfilled.

509. Was an instrument of that kind signed?

I think so; I never saw it, but I think it was signed.

510. And by that you became interested to the extent of one-tenth?

Yes. Mr. Durant proposed to give me an interest to that extent.

511. Do you know what further has been done in the matter thus far?

I do not think anything has been done with it.

512. Was there any other instrument between you and Mr. Durant?

No, sir; none that I know of.

513. Anything of this kind?

No. 2.

"For and in consideration of one dollar to me in hand paid by Leonidas Haskell, the receipt whereof is hereby acknowledged, and for other valuable considerations and services to be rendered, I hereby agree to pay over to the said Haskell one-tenth part of all the profits which may be made out of the proposition of Beverley Tucker to contract for 10,000 bales of cotton, in payment of which he is to receive a certain amount of pork, as well as in any additional number of bales of cotton to which the proposed contract with the said Tucker may be extended, and taken out of the confederate lines under the regulations of the Treasury Department, or upon any purchase of cotton by exchanging merchandise, or otherwise, in accordance with said provisions and regulations, through said Tucker.

"I also agree to pay said Haskell fifteen hundred dollars on demand for expenses. A true and accurate account of said business shall be kept, subject to examination of said

Haskell, after the cotton is sold and accounts made up, which shall be done within four months.

"And if nothing can be accomplished within sixty days the contract is void.

"OCTOBER 10, 1864."

Witness. I think that is the one he altered and the one which he subsequently signed, if he signed any.

514. Did he ever pay you this 1,500 dollars?

No part of it.

515. For what reason?

I never asked him.

516. Would he have paid you if you had asked him?

I think he would if I had asked him.

517. In whose hands is the paper which is signed?

The paper is in the hands of R. W. Latham; I have a receipt for it, although I have never seen it; I am very sure that this draft "No. 2" is the one that was signed.

518. What explanation do you give of the interlineation in this draft of the words "or otherwise?"

I knew Mr. Durant had a permit to get out cotton; I did not want to be confined to a partial interest in the transaction.

519. Did there a difference grow up between you and Mr. Durant as to how much this covered?

There was never any controversy; I never had a word with Mr. Durant.

520. Did not Mr. Durant make the point "that you were to have no profit out of any cotton not obtained in exchange for merchandise?"

So Mr. Latham told me so; afterwards there was a sort of contract of some sort or other about it, but I abandoned the whole thing.

521. Will you look at that memorandum; see if it is a fair statement of the matter?

"The Durant and Tucker cotton matter stands about this way:

"Durant has an order to bring out two or five thousand bales of cotton from Florida. D. R. Martin also has an order to bring five thousand bales out of the same place. Those orders are suspended and will be held until they obtain Mr. Seward's decision that *Tampa Bay* is a tributary of *Pensacola Bay*, which Martin feels confident of getting, after a while. Now, neither of them have any cotton, and don't expect to get any out, unless they can get some one to arrange on the rebel side, and T. is the only man they rely on. My contract with Durant is as follows: (The one I handed him to sign is marked No. 1; the one he did sign is marked No. 2.) You will see there is a difference, and the point Durant makes is that I get no profits out of any cotton *that is not obtained in exchange for merchandise under the treasury regulations*, excluding me from any interest in the profits of the cotton on the orders he has obtained from the President. The paper was not given me until after my friend went into the room, and then it was too late to make a row. As I feared the thing might burst up, and as I felt sure that the orders for the 10,000 would be paid, I protested against the alteration when I saw Durant, and he promises it will be all right, and if he will insert the words "or otherwise" in the agreement, I shall be satisfied, and one word from you will get that inserted. I write this that you may understand it, and I would like to arrange to take out say 5,000 bales, by giving 30 cents per pound in greenbacks, delivered at our lines, and then give him one-third of the net profits of the operation."

Witness. Yes, that is a fair statement of the matter.

522. Did you ever have any correspondence with Beverley Tucker, directly or indirectly? No, sir; neither directly nor indirectly.

523. Do you know what correspondence Mr. Durant had?

I never saw any correspondence, and I never heard him talk of any correspondence with Beverley Tucker.

524. What did Mr. Durant say in reference to this arrangement with Tucker?

He thought it legitimate. He claimed that it did not make any difference under this law who brought out the cotton—that Jeff. Davis might bring out cotton under this law.

525. And receive pork in return?

And receive goods. There was a question about pork. I believe Mr. Durant thought he could receive pork as well as anything else, but as to the contract with Tucker I did not believe he could make it to give pork. Train told me he had arranged all this matter.

526. By this arrangement you were to be interested one-tenth, in consideration of valuable services rendered. What services were they which were to entitle you to one-tenth interest in the profits?

I do not know that any services were specified.

527. Were you to have one-tenth profits without any particular services?

I do not know. You know that a person gets into these things, without really understanding how.

528. You say you could have \$1,500 of Mr. Durant by asking. Why do you think you could have the money, if nothing has been done in the matter?

I do not know why; I never asked him.

By Mr. Perry:

529. Have you contributed your part of the expenses for working the thing up?

No general expenses. I have paid my own private expenses.

530. Did not each partner pay his proportion of the general expenses?

Each paid his own personal expenses.

531. You say Mr. Martin failed in this instance in procuring permits. Do you infer from that that it is a difficult thing to procure these permits?

Yes, sir. It is so difficult that I have not been able to do so myself.

532. Are they considered valuable if they can be got?

Yes, sir, they are considered very valuable. I think they have been sold at high prices. So I heard; I never offered any for sale.

533. Do you know of any being sold?

Not of my own knowledge. I heard of one man's interest being sold out for money.

534. For how much?

A check was handed to him for 2,000 dollars.

By the chairman:

535. Who was that?

Moore, of Conatty's firm; I was told that a check for 2,000 dollars was given Moore for his interest.

536. Given by Mr. Cooke?

Yes, by Mr. Cooke.

537. Do you know of any further transactions in connexion with trade with the rebel States?

I might state many other matters, but nothing of importance.

538. Do you know a Mr. Olney?

Yes.

539. Where does he live?

In Brooklyn.

540. What is his first name?

J. W. or J. N.

541. Where is he to be found?

No. 17 Nassau street.

By Mr. Perry:

542. Do you know of any parties who have brought out cotton under these permits?

I heard of one man this morning, a Mr. Palmer, who had brought out 300 bales to New Orleans. He is about the first I heard of.

543. Has Mr. Olney had any connexion with this trade?

He has not; there was a conversation in reference to him. Mr. Camp asked me if I knew any one who knew of cotton, or had facilities for getting it out. I had been acquainted with Mr. Olney. His wife was in the southern confederacy somewhere. I talked with him about it; introduced him to Mr. Camp, and they had some conversation in regard to the matter, but Mr. Olney would not have anything to do with it.

544. Have you seen Mr. Olney recently?

I have not seen him since that time.

545. Have you seen him within a few days?

No; I do not think he has been in this city for some time. The last time I saw him was in New York, some ten days ago.

THURSDAY, February 2, 1865.

Members present:

Representatives.

Mr. WASHBURN, chairman;

ELIOT,

WARD,

Representatives.

Mr. LONGYEAR,

DIXON,

PERRY.

Captain ALEXANDER M. PENNOCK called, sworn, and examined.

By the chairman:

546. Please state your official position.

I am captain in the navy of the United States.

547. Where have you been stationed since the breaking out of the rebellion?

At Cairo a great part of the time, in command of the Mississippi squadron.

548. Does your position afford you an opportunity of knowing anything in respect to the trade with the rebel States?

To a limited extent.

549. What has been your observation on that subject?

My observation has been that the effect of the trade which has been carried on was to give aid and comfort to the enemy.

550. In what respect?

I think that the effect of sending goods beyond our lines gives aid and comfort to the enemy, because I think it is impossible for any loyal man to go outside our lines and retain goods in his possession. Take, for instance, the neighborhood of Columbus, Memphis, or anywhere else near the rebel lines, a loyal man would be allowed to take goods into the rebel lines, but if he was really loyal he would not be permitted to retain and own them.

551. To what extent has this trade been carried on as far as you have been able to judge?

I know that when Memphis was first captured, a large contraband trade was attempted to be carried on.

552. When was this?

I think Memphis was captured about two and a half years ago. It was our daily practice to capture goods contraband of war, on their way to the enemy.

553. What were these articles as far as you know?

Clothing and quinine in quantities. Before the trade was opened with Memphis, these people were suffering intensely for want of quinine. Now we do not hear of any complaint in that quarter of a scarcity of that article. Before that time it was held at fabulous prices. I have seen myself a man carrying a valise in his hand, as if it contained wearing apparel, but when it was examined it was found to contain quinine. Boxes of it have been found under various pretences. I have known ladies carry it around their waist in little bags, probably a foot and a half long, and wide enough to contain two jars of quinine. Quinine was carried down under various pretences in large quantity. It seemed to be an article more sought for in this contraband trade than anything else.

554. What has been your observation of the trade at a later period than that of which you speak?

I have had very little opportunity of judging until very recently under the late law. I repeat that I am satisfied entirely, in my own mind, that all this trade outside of our lines is detrimental to the best interests of the government; for instance, at Paducah, which is at the mouth of the Tennessee river, stores are allowed to be filled with goods; after a while there is a raid on the part of the rebels, who take possession of them. They fill up again in a short time, and are emptied by another raid. The inference is that these men are not going to fill up their stores and allow the goods to be taken if there is no collusion between them and the rebel raiders.

555. Then your inference is that in these raids there is an understanding between the rebels and the owners of the goods?

That is my impression, and it is the impression I have acted on when in command. I have had frequent applications coming to me to indorse permits, but I have invariably refused. During the whole time I have been out there I have never indorsed a single permit, for the reason that I believed it would be giving aid and comfort to the enemy.

556. To what extent, so far as you can judge, has this trade in contraband goods been carried on since you have been stationed at Cairo?

It has been carried on to a considerable extent. Reports have been made to me by the commanding officers of vessels of boats which have landed at other than military points on the river—contraband goods, and goods which would not have been permitted to land at the regular points.

557. Do you know to what extent this trade has been carried on at Memphis?

No, sir; I do not know enough about that point to give very definite information. About three months ago I was at Memphis, and it was reported that a boat had landed a few miles above. I was in command at that time. I knew that the attempt was being made to cross over rebel troops to re-enforce Hood. I had received a despatch from General Canby that an attempt would be made to cross above Fort Pillow that night, and I ordered the gunboats up, and that very night this steamer landed near Randolph for eight bales of cotton. The consequence was that she was captured, and three paymasters on board of her shot. Fortunately the boat was recovered, or it would have been used to cross over the rebel troops as they intended.

558. Were the paymasters robbed of their funds?

No, sir; they had no money along. There is no doubt, however, that the intention was to secure the money supposed to be in charge of the paymasters, for as soon as the guerillas came on board they inquired for these paymasters; and all this risk was incurred for eight bales of cotton.

559. Then, according to your understanding, the guerillas were apprised that paymasters were on board?

They seemed to understand it, and I have no doubt they did. So anxious were the rebels to re-enforce Hood, that they would cross over twenty or thirty men wherever they found the opportunity; and it was at that time, to prevent facilities for these men to cross, that I did not want any vessels to land anywhere except at military points, and under the guns of the gunboats.

560. What is your judgment as to the best means of curing this evil which has arisen from the carrying on of trade with the rebellious States?

I would not permit boats to land anywhere on the river except at certain designated points of military occupation.

561. Would you allow these boats to take any articles in trade down except such as should be certified to by a military commander?

Such as should be certified to by the custom-house authorities and the military commander, and boats should be prevented from landing except at military posts. The goods, before being permitted to land, should be taken out of the boxes, so as entirely to satisfy the party inspecting them that no fraud is attempted to be perpetrated, and that, under invoices of legitimate merchandise, goods contraband of war should not be allowed to go into the enemy's lines.

562. What do you think of the late law by which trade is authorized with the insurrectionary States, upon the permits given?

I would not give them supplies of any kind for cotton.

563. You think, then, the effect of that trade, so far as you observed it on the Mississippi river, has been greatly prejudicial to the public interest?

Yes, sir; for instance, goods will be allowed to be taken into Kentucky to the rebel lines, under the name of what are called "family supplies," and under that name they will take enough to feed two regiments. The effect is, it only invites raids. For instance, a short time ago you will recollect what difficulty we had in protecting Paducah and Columbus. It was as much as we could do, in connexion with the small military force we had in that vicinity, by moving from one place to another, to protect those points. We had information, which I have no doubt was reliable, of Forest's intention to capture Paducah, and then proceed across to burn the naval depot at Mound City.

564. What is the opinion, so far as you know, of the military and naval men on the Mississippi, who have had the best opportunities of judging on this subject?

I believe the opinion of naval officers is, that there should be no trade at all with the interior. They go upon the principle of taking all out you can, and allowing nothing to come in. Most of the military officers with whom I have conversed upon the subject are of the same opinion. General Brayman, for instance, with whom I have conversed, and who, I believe, has been examined by the Committee on the Conduct of the War, is of that opinion. He spoke of the so-called loyal men of Paducah; one of these men would get a permit to send wagon loads of goods beyond our lines; there they would be received by his partner, who was a rebel, and had a permit from General Forest, and who would dispose of the goods within the rebel lines. It is not uncommon to find so-called loyal men there having partners within the rebel lines.

Do you know of any particular transactions which will illustrate the effect of this trade?

There are many instances of the kind I have mentioned. General Brayman states that a large number of wagons were permitted to leave our lines and enter the rebel lines and that it was done with the permission of General Forest.

565. Do you know under what authority parties acted who carried supplies from our side?

I do not; I have had frequently permits brought to me, given by military officers; at one time the order was issued not to permit any vessel to land, except under the guns of a gunboat; these vessels had to go there and show their permits, and an officer was required to be present and receive such articles as were proper to receive.

566. Do you know of orders being issued by military commanders forbidding boats to land except at military points?

I know that Admiral Porter issued a command that no boats should land except at military points, and under the guns of gunboats.

567. How long did that order continue in force?

It continued some months, and was then modified in consequence of some treasury regulation, which I do not recollect. I reiterated the order myself when in command of the squadron. I found it necessary to do so. I intercepted a despatch from Jeff. Davis, in which he directed that if men could not be crossed below to send them above, and capture boats on which to make the crossing. To prevent this a regulation was necessary requiring that boats should only land at certain points. Complaint has been made of this, that it was necessary for steamers to land to obtain supplies of wood, especially for packets, of which

there are several running regularly between St. Louis and New Orleans. That is, of course, a legitimate object; but certain points should be selected, and gunboats stationed to protect these points, and the boats landing not be permitted to take on anything but wood.

568. Then your judgment would be that boats should only be permitted to land, except at military points and under the watch of gunboats, and that the goods on such boats should be carefully examined before being allowed to land, and that no trade, whatever, should be permitted to persons outside of our lines?

That is my judgment. I would be perfectly willing to allow their cotton to come out, but I would not allow anything to go in. I have, myself, never given any permit, or in any way encouraged such trade, because I conscientiously believe it would give aid and comfort to the enemy.

By Mr. Eliot:

569. Will you state what course, in your judgment, could be prudently adopted by which cotton and other staples could be procured from within the rebel lines without such hindrance to the cause of the government as it has suffered from the present regulations?

I believe that the cotton may be purchased, and the purchase-money deposited in government bonds, for instance in five-twenties or ten-forties, the deposits to be made for three or five years, and not to be touched for that time. I think owners would be glad to sell under such conditions, if they could safely dispose of their cotton in that way, rather than run the risk they now do of seizure and confiscation.

By Mr. Perry:

570. Is not a great portion of the cotton now brought out obtained by exchanging for other commodities?

Yes, sir. I think, under the present regulations, too many persons are allowed to give permits.

571. What persons are allowed to give permits?

The treasury agents at St. Louis, Memphis, and at other places on the river. I have seen military permits to land "family supplies," and that expression, "family supplies," has taken a very long range.

572. Have you seen permits signed by the President?

I have never seen one signed by the President.

Colonel JOHN EATON, jr., called, sworn, and examined.

By the chairman:

573. Be good enough to state your official position.

I am colonel of the sixty-third regiment United States colored troops, and superintendent of the Contraband Department for a portion of the Mississippi valley.

574. Where have you been stationed for the last three years?

I was first placed in charge of the colored people by General Grant, at Grand Junction; then, as the army moved down, my jurisdiction was extended over the country. My office was for a time, and has been most of the time, at Memphis. It was for a time in Vicksburg. My inspections have been over the field in person, having officers at various military posts.

575. Does your position enable you to see much of the trade which is carried on with the rebellious States?

Yes, sir. The negro population constitutes almost the entire industry in that country, and through them a very large amount of information comes to me from various quarters of what has been going on.

576. State, if you can from your personal observations, what has been the character of the trade carried on, how carried on, and its extent.

My actual personal observation in respect to seeing goods carried to and from the rebel lines has been very limited. What information I have has been derived chiefly from others. I have a general knowledge and belief on the subject.

577. State your general knowledge and belief.

My first observation was in gathering an immense amount of abandoned cotton, with negroes set loose, by General Grant's order. This was turned over largely to the government. I afterwards learned that the government did not receive much of the cotton. Why, I do not know. This was over two years ago. The country then, in that region, was swarming with speculators, and every officer had to be on his guard to prevent being caught by the contrivances of these men. So adroit were they in their management, that it was very difficult so to arrange the plantation work that either the government or the negroes would get much benefit from it. After that we were for a time relieved from the pressure somewhat by an order, issued by General Grant, prohibiting trade in that region,

except such as was absolutely necessary for the wants of the people. After General Grant removed from the valley and extended his campaign to the east, the lines began to slacken up, and this trade came in again. Very soon it became known to me that there were small boats, plying seeretly, carrying cotton—sometimes small steamboats, and sometimes canal-boats, which had been floated down from the canals on the Ohio river, and which went into the streams and bayous, and brought out cotton, taking in return supplies of various kinds. They sometimes succeeded in taking liquors, which seemed to be the most desirable commodity, but generally such supplies as were needed by the people. I have frequently known guerillas to come on these boats, drink freely, and take away such articles as were given them to purchase their favor. The trade went on increasing very rapidly until, at one time when I went to Memphis, an officer who had charge of one-third the picket line stated to me that goods were permitted to pass through his portion of the line at an average rate of \$50,000 worth a day, and that for the whole line \$100,000 worth a day would be a low estimate. This was nearly a year ago. At that time Forest was moving up into West Tennessee; his headquarters were at Jackson, the centre of a circle, the circumference of which may be supposed to touch at Paducah, Columbus, Cairo, Fort Pillow, and Memphis. The trade was pressing in at all these points, and I ascertained that supplies to a very large extent were finding their way to Forest's army. I was told by a loyal lady that she had seen a letter written by a lady in the interior to a lady at Vicksburg, stating that they were soon expecting to obtain abundant supplies; that General Forest was in West Tennessee, and that he was receiving goods through an arrangement made with parties in New York. These goods were to be landed at the various points I have mentioned, and were to be gotten through, if practicable, by permits; and if not, Forest was to attack these points, as he did actually attempt to capture Fort Pillow, it being the understanding that goods so captured by him were not to be considered as captured, but were to be paid for in money which he obtained in his raids. For a time they had a small force at the bridge where the Jackson road crosses the Big Black, east of Vicksburg, and it was stated to me by an officer of mine that as many as thirty-seven to forty barrels of flour a day were run up there and went into the possession of these troops. It was the general talk at that time, that Sherman's raid, the object of which was to destroy means of transportation and impoverish the country so as to prevent any large force from being supplied so as to operate on the Mississippi, was being entirely frustrated by this trade which was allowed to be carried on, and that this entire rebel force was being sustained almost exclusively by supplies received from within our lines. There was another feature which was brought directly under my eye, and which was connected with my own operations. Having the charge of the negro population, I was of course interested in everything which tended to quicken their industry, the object of my office being to make them self-supporting if possible, and if not self-supporting, to give them what assistance was necessary. It soon became apparent that men had managed to lease plantations whose relations to the rebels were such that they were able to secure their favor by some consideration, and it became a matter of general talk that many of these men had purchased the consideration of the rebels, and where the plantations were not under strong military protection, they actually enjoyed rebel protection by furnishing a large amount of supplies, many of which went directly to the enemy. The officers through whom permits to obtain these supplies came were constantly obliged very largely to reduce the amount applied for to go to these plantations, and much trouble grew up with the officers who had charge of these matters. The officer at Milliken's Bend was removed because he allowed too large an amount of supplies to go in this way, and another officer was put in his place. The first was a subordinate field-officer, and the second a colonel. About the time he was put in command I went up into Arkansas, to inspect matters, and I learned that the impression was that this officer had made some \$80,000 out of the interest which had been given him in the trade at that little point, and that he had resigned and had gone out of the country.

578. What was the name of that officer?

Wood. The little post of Waterproof, La., was established by agreement between Adjutant General Thomas and General McPherson, and occupied by troops, of which I was allowed to have control, for the purpose of giving protection to these industrial enterprises which had been started. The officer in command reported directly to my office. A store was allowed to be established at the post, which soon began to receive an immense amount of supplies for that little outside post, and one of the small steamboats was also tied up there. It was reported to me that about \$10,000 worth of goods a week was furnished. It was said to be done by collusion with General Tuttle, who was in command at Natchez, who was distinguished, as far as I know, more than anything else by his dislike to the darkey and for his efforts to reduce the negro to something like his old vassalage. After this trade business came to be known, he succeeded in getting out of the service. Just here let me say, that it is a most significant fact how much bearing this trade has had, not only upon

the virtue of officers who became dishonest, but upon the standing of officers who remained honest. Take an illustration : There was said to be a combination representing \$5,000,000 capital, the object of which was to carry on this illicit trade, and the policy they pursued was, that if an officer could not be induced by corruption to give such facilities as they desired, they were to bring whatever influence was necessary to have him removed ; and there are a number of instances in which faithful and honest officers have been removed through influences so brought to bear.

579. Who composed this combination ?

I could not tell all the parties. It was immense in its ramifications.

580. Name some of the parties ?

I could not name them all ; some of them were tried and convicted.

581. Convicted of what ?

The charge was conspiracy. The commanding officer had issued a special order in regard to certain cotton, which order they did not obey, and they were convicted on that special charge, but pardoned. There are many instances I could mention of operations in corrupting officers, obtaining their removal, and in introducing supplies into the enemy's country ; so that it very often happened that on expeditions into the enemy's country our soldiers would find abundant supplies of fresh northern goods.

582. Was there an order issued to arrest this state of things ?

Yes, sir, and carried into effect most vigorously. Several steamboats, and I do not know how many canal-boats, were arrested in this illicit traffic.

By Mr. Perry :

583. Did not the parties who carried on this trade have permits ?

Most of them had permits to trade.

584. Where did they get these permits ?

They got them from the treasury office, and they were supposed to be approved by the commanding officer of the post, department, or district where they were located, but with their permits giving them authority to do certain things they would do other things.

585. Have you ever seen any of these papers ?

I have not, except to procure individual supplies. Lately this river trade has become so immense, and my negro operations having given me a better knowledge of the river lines than others, General Dana has sent the papers to my office for approval, and I recollect that an application would come in for more than \$1,000 worth of goods for a small island containing only a few families.

By the chairman :

586. From your observation and experience in this whole matter of trade with the rebellious States, what, in your judgment, has been the effect upon the Union cause ?

Most decidedly injurious. Any man outside of our lines with these large supplies coming to him can be just as comfortable as he wishes to be. He can supply all his own wants and send supplies to his friends in the rebel army. A negro came to my office who told me that he went into Memphis and brought a horse and saddle to the commanding officer of one of the rebel regiments from Mississippi, and that he had been in the habit, with another negro, of going regularly. It is not unfrequently the case, and I have learned of many individual instances of ladies of rebel officers coming through the lines to Memphis, obtaining their supplies and returning. Many persons have made large fortunes in running the blockade. Upon information furnished in some instances General Washburne has sent out expeditions and made captures.

By Mr. Ward :

587. Have you any knowledge how this cotton is brought from the interior to the federal lines ?

In a great many ways. They bring it on their cars sometimes, and it is brought by horse and mule teams.

588. It is brought then by confederate parties to near the lines ?

Yes, sir.

589. And then it is through these permits that our friends get possession of the cotton ?

Yes ; and our friends give something in return. I recollect that immediately after it became known there was to be a trade in cotton, the officers at Memphis in good faith tried to permit the cotton to come in, and in fact I do not know of any officer who would not be glad to let the cotton come in if it could come without goods being sent out in return. As soon as this permission was given, teams loaded with cotton came streaming into Memphis. As I have gone to my office I have seen wagons circling almost a whole square of the city, loaded with cotton. After a while General Washburn began to suspect that some of these parties were connected with the rebel army, and one day he arrested about three hundred

of them, when it was found that a large number had paroles from the rebel army in their pockets to bring out cotton. I will state another fact. It will be observed that some of these government plantations are practically outside our lines. An old scout came to me one day who had the reputation of being one of the best scouts in General Sherman's army, and who had suffered everything in our cause. He wanted some help. I told him if he could get on some lands in our lines I would secure for him negro labor. He said he would be glad to do so. I told him he could go anywhere within our lines, and that if he got a little outside there would be no harm, as I had no doubt the lines would soon be extended. He started, and with his old habit of scouting went about the country pretty extensively. When he came back he could hardly contain himself. He said he had been told that these people a little outside were loyal and he went to hire some of their lands, but they told him he would not be allowed to stay a month unless he had protection papers from the rebels. And it is a fact, I have no doubt, that a great part of this culture goes on under the protection of the rebels.

590. You would allow only the necessities of life to go into the confederate lines, in return for the cotton?

I would allow only the necessities, but here is the difficulty: A man is allowed to establish a store to furnish family supplies only, but it is for his interest, of course, to sell as much as he can, and his sales are likely to run up largely beyond the amount he is permitted to hold. The commanding officers everywhere in that region are obliged to detain their best officers to look after this matter, and they will in almost every instance cut down applications for permits for one thousand dollars' worth of goods to two or three hundred dollars.

591. Are persons holding these permits to buy cotton allowed to take merchandise?

To some extent; and these little boats used to take it with or without permits.

592. The process of getting cotton, as I understand, is that it is brought from the interior of the rebel country down to our lines, and then delivered to persons having permits from the government to buy it?

No, sir. They come right inside our lines; their wagons come streaming in, and unless the commanding officer directs that they must come to such a place, they are delivered anywhere.

593. Does not our army seize the cotton, under such circumstances?

Sometimes they do. There have been corrupt commanding officers who have made expeditions purely for the purpose of speculating in cotton.

594. Then the army is not obliged to aid in getting the cotton within our lines?

Oh, no. If it is done, it is done voluntarily; but I do not know of any officer commanding there now, who would use his army in that way.

595. Do you know of our currency having been received in exchange for cotton, by the rebels?

It is believed to have been received.

By Mr. Perry:

596. Could we have been able to procure cotton to any considerable extent, if articles of goods and merchandise had not been given in exchange for it?

I think we could.

597. Would these wagons have come in, and brought cotton?

No, sir. There must be some motive, and I think a sufficient motive can be furnished without supplying the rebels with merchandise. I would not allow anything to go out to them, unless merely sufficient to sustain life for the women and children, and those who are measurably loyal.

598. Can that be done in safety?

You cannot do it without the most severe restrictions ever put on man.

599. Is it possible, under the circumstances?

It may be to a certain extent.

600. What course would you pursue?

I do not know any better than that General Grant once commenced to carry out; I would not allow any private parties to come about the army; I would commission a class of officers especially to manage this business, who, with the restrictions of military discipline, and the fear of dismissal hanging over them, will be less likely to allow abuses than persons who have no such restrictions.

FRIDAY, *February 3, 1865.*

Members present :

Representatives.

Mr. WASHBURN, chairman ;

ELIOT,

WARD,

Representatives.

Mr. PERRY,

LONGYEAR.

EDWARDS PIERREPONT called, sworn, and examined.

By the chairman :

601. Please state your residence and business.

I reside in the city of New York. I am a counsellor-at-law.

602. Have you been in any way interested in the trade with the rebel States since the breaking out of the rebellion? If so, at what time, to what extent, and with whom connected?

Never, in the smallest way, or to any extent, or with any person.

603. Do you know of any person or persons who have had permits, or certificates, or contracts with the government for bringing out cotton and trading with the rebels?

I have seen several contracts made with Mr. Risley ; but the names of the contractors I cannot now recollect. I think Wells & Gibson or Gibson & Wells are names I remember to have seen to contracts. My impression is that it was Gibson, Wells & Co. ; but I am not sure. I am sure the name of Wells was in it. I am not sure the name of Wells was in the contract, but I am sure that Wells, who I understood to be in it, was here.

604. Where did these parties live?

That I do not know ; but my impression is that they lived in the city of New York or somewhere in the State of New York. The contracts were shown to me in Washington. I do not know the parties, and never saw but one of them in my life to my knowledge ; and he was in the city of Washington. The contracts were shown to me by the counsel of the firm, and Mr. Wells (I think was the name) was present.

605. What was the nature of the contract, so far as you understood it?

I cannot say that I read the contracts. I think I did not ; but, so far as I understood, the purport was that a contract was made between Mr. Risley and these parties, by which they were to pay the government some sum of money, and I understood it to be under treasury regulations. But I never read the treasury regulations, and do not know what they are. I never had a copy of the contract, and I would not undertake to give its contents.

606. Will you state whether the parties had any difficulty in relation to this contract, permit, or certificate, whatever it was called, in getting passes to go to their destination?

I understood from Mr. Evarts, who was the counsel of the parties, that there was some difficulty in relation to there being an agent of the treasury at the point in Georgia, I think it was. I do not remember the town, but some small place, from which the cotton was expected to be brought. I did not understand that there was any difficulty about passes ; but that it was necessary, in order to go through, to get passes ; and my impression is, though I would not speak confidently, that Mr. Risley's contract spoke of passes to be procured. The passes for these two parties who were to go to this point were procured at the solicitation or suggestion of Mr. Evarts and myself, or I was present when it was done. I cannot tell to whom the passes were given, but I understood them to be to one or two—I think two—of the parties to the contracts with Mr. Risley ; but, as they were not clients of mine, but of Mr. Evarts, I do not know their names. This was when I was last in Washington, I think somewhere within ten days.

607. You have spoken of Mr. Evarts being counsel for these parties ; in what respect was he counsel — for legal advice?

He told me here that they were regular clients of his in New York, and it is in that sense that I speak.

608. Were there any other names of persons who were in this matter, either as counsel or otherwise, besides Wilson and the others you have named, so far as you know?

Not that I know of. There may have been any number, but not that I know of or ever heard of.

609. You were not in any way connected with the transaction?

In no way whatever. I never saw them before, and never heard of the contract until I came here. I was here on other business.

610. Do I understand that you went to the War Department with Mr. Evarts? I did.

611. On this business?

No, not on this business. I went to the War Department on other business. He went to the War Department in relation to his son, who was in the army and sick, to get him discharged on account of illness. While there this subject of passes was spoken of, and that is the way it arose.

612. With whom was your interview in the War Department?

With the Secretary of War.

613. Do you know of any persons except yourself and Mr. Evarts engaged in it?

No, sir. I do not say there were not, but I never heard of any other.

614. What was the precise request which Mr. Evarts made to the Secretary of War?

I cannot say whether he made the request, or whether I made it. We both spoke of it. It was simply to ask passes for these men who had this contract with Mr. Risley to go to the point where the cotton was to be received; and my impression is strong that it was some point in Georgia.

615. Was it Fernandina?

Perhaps Fernandina.

616. Were the passes given to you or Mr. Evarts before you left the office?

My impression is that they were sent in an envelope, not before we left the office, but in the course of the day.

617. You had no interest in it?

Not in any shape or form, not even to the extent of a counsel fee, paid or promised—not the remotest interest. It was a mere suggestion at the time my friend was with me.

618. Do you know what goods or articles were sent by these parties which these passes enabled them to get through with?

I did not have any idea that these passes enabled them to get through with any goods. I do not think they did. I am very sure, on the contrary, they did not.

619. What were the passes?

Mere personal passes for individuals. I am very sure they had no power to convey goods under them.

620. Do you know what goods or articles, if any, were sent out by these parties?

No; I have no knowledge on the subject other than this: I heard it stated that they had sent out goods which it was expected or hoped would be exchanged at the rate of one-third or one-quarter, whatever the Treasury regulations authorized, but I do not know the amount, nor do I know of the goods. I never saw a schedule of them.

621. Do you know whether Mr. Evarts came here to get the passes you have spoken of?

Mr. Evarts came here, I think, to attend the Supreme Court. I know that he had a case in the Supreme Court and argued it while here. Whether this had anything to do with his original purpose in coming on or not, I have no knowledge.

622. Had there been any difficulty in relation to the passes before Mr. Evarts came on and made the application?

I understood that no passes had been asked for and no application made. I asked that question particularly, for the very purpose of avoiding asking the Secretary of War for things which he had already refused.

623. What other certificates in regard to this cotton trade have you heard of?

I saw at one time some other contracts, but I cannot now tell who the parties were. If I were to hear their names I could recall them.

624. Do you not know the parties connected with them?

No, I do not know any of them.

625. And they did not make impression enough on you to enable you to recollect them?

No, I do not remember. I think I saw the contracts, and was asked if they could get goods in under them, &c. I once asked the Secretary of War whether any permits were granted by his department, and he told me there were not. I told these parties that they would not get any permits of that kind. I never heard of the application, and I do not know of any being made.

626. Do you know of any persons who went to the Treasury Department in relation to this matter; if so, what person or persons, for what purpose, and what was accomplished, as far as you know?

I do know that Mr. Evarts and myself, at the Treasury Department, though going there on another matter wholly disconnected, spoke of the subject of the difficulty of there being no agent at this point, Fernandina, if that was the point; and the question was asked how these parties who held this contract, Wilson & Co., if that was the name, could get along without some agent at the point where the cotton was expected to be delivered; and how that difficulty was obviated, if it was, I do not know. I believe that that is the extent of my knowledge upon this subject.

627. Do you know of any requests being made to have the difficulty obviated; and if so, by whom?

I should regard the conversation that Mr. Evarts and myself had as equivalent to a request.

628. Who was that conversation with?

The conversation was had with Mr. Risley, who took us to the Secretary, who referred it back to Mr. Risley and Mr. Harrington, and that was the last that I saw of either of them.

629. Was it the last you heard of it?

No. I heard that it was supposed to have been in some way relieved of the difficulty about there being an agent; but in what way, I never heard. I heard it from Mr. Evarts.

630. Did you understand the number of bales of cotton which this certificate of Wilson & Co. covered?

No; I never had the slightest impression then or now. I could not tell whether it was five or five thousand. I do not know anything about it.

MONDAY, *February 6, 1865.*

Members present:

Representatives.

Mr. WASHBURN, chairman;

ELIOT,

WARD,

Representatives.

Mr. LONGYEAR,

PERRY.

THOMAS CORWIN called, sworn, and examined.

By the chairman:

631. Please state what has been your official position for the last few years, since the breaking out of the rebellion?

I have been in Mexico as minister for this country for three years up to April last.

632. What knowledge, if any, have you of the trade which was carried on with the rebels from Mexico, in and out the rebel lines?

I have no very exact information on the subject. Owing to the disturbed condition of the country, I never could get the information I wanted from the consuls along on that line, though I got some.

633. What was the character of the information which you obtained?

I understood from private correspondence, as well as from one or two letters from our consul at Matamoras, which is in the interior some distance, that the rebels sold their cotton to Mexican manufacturers, and received in return clothing for their army.

634. Was there any difficulty in carrying on this trade between the Mexicans and the rebels?

Very little. I could interpose none. We had no consuls along the boundary, and nobody to look after this trade.

635. To what extent do you suppose this trade was carried on?

It is difficult to say, because, as I remarked, I have no precise information.

636. To quite a large extent?

I think so. One manufacturer, as I was informed by a gentleman I engaged to look after that thing a little, said he had sold \$300,000 worth of clothing; some part of it made up, chiefly not made up, but made for the very purpose of clothing for the rebel army.

637. Have you had any knowledge since you came back of the trade which has been carried on in the rebel States through permits or certificates granted by the Treasury Department, or otherwise?

None, of my own knowledge, except that I have been employed to get permits.

638. Have you obtained a large number of permits? No, sir.

639. How many?

I think but two. I applied for a great many, but obtained but one or two.

640. For whom did you obtain these permits?

For Parkman, Brooks & Co., or Brooks, Parkman & Co., I do not remember which.

641. To bring out cotton? Yes, sir.

642. How much?

Fifteen thousand bales, I think, exactly. That permit was founded upon permits which had been previously granted but never executed, owing to a change in the lines about that time.

643. Where did these parties, Parkman, Brooks & Co., live?

I think in Memphis. A man who was here, and who was a member of the company, I am sure, lives in Memphis.

644. Who was the other permit you obtained for?

For Swenson, Phillips, Webb, and General Hamilton.

645. Where do these parties reside?

Webb is a merchant of New Orleans, General Jack Hamilton is of Texas, and Phillips was a Texan, but now resides in New Orleans. That permit, I believe, has been given up. I understand it was found it would not work at all.

646. Why not?

Swenson was here about a month ago, and said they could not get their cotton out, and that he meant to go to the President and surrender it.

647. For how much was that permit? I really could not tell—a very large amount.

648. What reasons, if any, have you for thinking this permit amounted to nothing?

I understand their cotton was on the Louisiana border, but there was no access to it without running the blockade, and they would not do that. It has been a great obstacle in the way of all of them, as far as I can learn.

642. Can you give the committee any opinion as to how this matter of trade between the rebels and Mexico can be entailed?

I have thought a great deal about it, especially while I was there, but I do not see how it can be done without troops on our side. If you ask my notions or opinions about it, I thought that the government had acted very unwisely, or that the commander at New Orleans did, in preventing our ships from clearing at New Orleans for Matamoras, or in restricting them to certain articles. Now this Mr. Swenson owned cotton, honestly bought and paid for. He ran away, or they drove him off. He could get his cotton out at Matamoras, but he had no bale rope or bagging there, and they would not allow him to take it out. He offered to give bond to any amount that he would not use it for any other purpose than to bale his cotton, but the general in command gave express orders not to allow it to go out. This bagging and bale rope comes from Havana, from New England, and from any and every where in the world. They make it, a great deal of it in Mexico, out of their coarse grass. But the consequence of not allowing it to go to Matamoras was that all that trade is allowed to be carried on by foreigners. We are forbidden to participate in it at all. Our cotton cannot be gotten out. There is a little supply which comes from abroad during the high price of cotton.

643. Has the United States a consul at Matamoras?

We have a commercial agent. We cannot get a consul there. If we take an exequatur from the Mexican government, the French drive him away. We cannot take an exequatur from the French, because that would be a recognition of the government the French have established there, and so we sent a commercial agent there. I had a conversation just now with a gentleman who recently came from Matamoras, and who brought despatches for Mr. Seward. He says there are a great number of refugees from Texas over there on this side of the river; that French creoles go over from New Orleans to escape the military government there. The British government are getting a large part of the cotton out of rebellion in Texas, which comes out at Matamoras. The French get a good deal too.

644. What other persons do you recollect who have made applications for permits through you?

I made numerous applications for permits under the law of last July. Crafts, of Mississippi, I remember, was one. I do not remember names, but I am sure I applied for at least a dozen, in all of which I failed. They referred them all to the local agents.

645. Has it been the practice of the department to give these contracts directly from the department in any cases?

No, not one that I know of.

646. You did get one, you say?

That was founded on a previous permit.

647. When you made these applications directly to the Treasury Department for permits, what was the reply you generally got?

At first they intended, it seemed to me, to grant them. The question was bandied about, I was told, between the Treasury Department and the War Department, and all the Cabinet. Finally, they came to the conclusion to grant none, but to refer them all to the local agents.

648. How lately was this?

I think it was in September.

649. Do I understand you to say that the Treasury Department have, since September or since any given time, refused to grant permits, but have insisted on referring them all to the local agents?

In all cases under this law, where the government is to have twenty-five per cent.

650. Do you know anything further in relation to the trade with the rebel States? Have you procured any permits for tobacco?

I procured one from Mr. Risley.

651. For how much tobacco?

I think it was 800,000 pounds, or about that.

652. Where was that tobacco to be brought out?

It was to be brought across the river at Point Lookout.

653. In whose favor was the permit?

In favor of Cromelin & Son, of Philadelphia. It was to be sold to the government.

654. What became of that?

The agent went out, and when I last heard of him they had him a prisoner in Castle Thunder, with some danger of losing his head before he got home. The man had really contracted for the tobacco with a loyal man who had the tobacco. He was protected by a friend, who was a rebel, and who was therefore protected. That is the case with a great deal of the cotton, they tell me.

TUESDAY, February 7, 1865.

Members present :

Representatives.
Mr. WASHBURNE, chairman ;
ELIOT,
WARD,

Representatives.
Mr. LONGYEAR,
PERRY.

T. J. CONATTY recalled and examined.

By the chairman :

655. Have you had any other or further transactions in this matter of trade with the rebellious States, by certificate, permit, contract, or otherwise ?

I have.

656. Please state what they were ?

I have had one, in which Mr. Leonidas Haskell and myself were the parties, to take cotton. It was a certificate under the general regulations, without the order of the President.

657. Was it the same as that issued to yourself, Helmick & Moore ?

No, sir ; entirely different—different in the fact that this did not have the President's order attached.

658. Please state for how many bales of cotton that certificate was.

For ten thousand.

659. To whom issued ? To Mr. Haskell and myself.

660. On what was the application for it based ?

On a desire to take cotton out. Mr. Haskell came to me and said he had extraordinary facilities for getting cotton out from Augusta, Georgia ; he said if I could get a permit, he did not want the executive order. I made application to Mr. Risley, and an ordinary permit, under the Treasury regulations, was granted.

661. Was the application made in writing ?

No, verbally.

662. What was the nature of the statement on which the application was based ?

Simply that Mr. Haskell claimed to control cotton, as I have stated.

663. In what way did he claim to control it ?

Through a gentleman in New York, who he firmly believed had it in his power to bring it out.

664. Have you this permit ? I have not ; I gave it to Mr. Haskell.

665. What has become of it ?

I suppose he gave it into the hands of the gentleman who was to go to Augusta and get out the cotton.

666. Who was he ?

A Mr. Samuel Bell.

667. Where does Bell live ?

I do not know anything about him, except from the representations of Mr. Haskell.

668. This was the second certificate you obtained from Mr. Risley ?

Yes. This was in the early part of January, after the fall of Savannah.

669. Have you had any other permit ?

I have had one other.

670. What was that ?

A simple certificate, without the indorsement of the President.

671. For what ?

To take cotton out of North Carolina.

672. For how much ?

Five thousand bales.

673. Who was with you in that ?

A man by the name of Brummel, of Baltimore.

674. What is his business ?

He has been a sutler in the army of the Potomac.

675. Upon what grounds was the application for that permit based ?

Upon the same ground—upon the claim of this man, that he could control cotton ?

676. What is the condition of proceedings under that permit or certificate now ?

I do not know that anything has been done under it.

677. Where is Mr. Brummel ?

He is in Baltimore.

678. Is there any other party with you ?

No, sir.

679. Is there any other party with you and Mr. Haskell in your certificate ?

No, sir.

680. Can you tell me what is the reason you can go to the department and get these certificates for any person you may name ?

It cannot be done now ; at that time any person could do it ; any good man in whose assertions Mr. Risley had confidence could, up to the 18th of January, get one of these certificates, as I understand.

681. Do you not know that such applications were constantly and repeatedly refused ?

If they have been, I do not know it.

682. Do you know they have not ?

To the extent of my knowledge and belief, they were not up to the 18th of January ; at least as long as I was in the office, I have no knowledge of any application under the general regulations having been refused.

683. Was this last application made verbally or in writing ?

They were all made verbally. The contracts are on file in writing.

684. Upon what ground—that this sntrler claimed to control cotton ?

Yes, sir.

685. How did he propose to get it ?

I suppose he meant to send agents across the lines, if he could not secure it within the lines

686. What agents did he propose to send there ?

I do not know.

687. How came you to go in with him ?

I was introduced to him by a Mr. John L. Reese, of Baltimore.

688. Did you know him before you were introduced to him by Mr. Reese ?

I did not.

689. How did you know that he was a good man ?

On the faith of Mr. Reese, who introduced him—a man in whom I have every confidence.

690. Did I understand you to say that you had never received anything for your interest in the large permit for 50,000 bales ?

Not a dime.

691. Have you ever proposed to sell any portion of your interest in that permit ?

I never have.

692. Have you had any other or further transactions in this cotton trade ?

None whatever ; these are the sum total.

693. Do you know a man by the name of Isaac Ringe ?

I have heard of him ; I do not know him.

694. What have you heard of him ?

I simply know that Brummel proposed to engage such a man as that. I know nothing about him whatever. There is a gentleman who acts as attorney for me with Brummel in Baltimore. Supposing I should be at New Orleans, I placed the whole matter in his charge.

695. What is the name of your attorney ?

Barker. I merely heard Brummel say he had employed, or proposed to employ, a man by the name of Ringe. Mr. Barker may know something about him.

696. Where does Ringe live ?

I do not know anything about it.

697. You have never seen him ?

Not to my knowledge.

698. Do you or not know whether he has a contract in your firm ?

I do not know.

699. Have you not heard that he has ?

I have not. I know nothing at all about him further than what I have stated to you. Brummel, who employed him, I presume, can give you information about him.

700. Where is this Barker ?

I suppose he is in Baltimore ; his residence is there. He was for a time in the office of the Baltimore and Ohio Railroad Company.

701. Did you appoint him in writing, under seal ?

Yes ; with full power of attorney to represent me in the matter. I had full confidence in him, and have left all the details with him.

702. Have you seen Mr. Risley recently ?

I saw him yesterday afternoon for ten minutes.

703. Did he have any conversation with you about Ringe ?

No, sir.

704. Did he ever have any conversation with you about Ringe ?

Never.

705. Do you know whether there is any other man acting under this contract ?

I do not.

706. Has anything been done about your 50,000 bales' contract or certificate since you testified before the committee on a previous occasion ?

I have returned the papers to Mr. Risley, so that if there was anything wrong in the alteration which was made, he might hold the papers subject to further disposition.

707. When did you hand them to him?

I think it was on Thursday last. I saw the point raised by the committee when I was last before them, and in order that I might be free from any possible impropriety in the matter, I handed the papers back to him.

708. What did he say when you handed them back to him?

Nothing; he holds them subject to any further question; he said he supposed there was no impropriety in the change.

709. Do I understand you that Mr. Risley said there was no impropriety in making a change in an order of the President, without his knowledge or consent?

He said he supposed he had the right to make a change in his own contract, though if he had thought for a moment, he might have seen that it would have been right, proper, and becoming to have seen the President before any alteration was made in his order. He said he did not consider it a material point in changing the number of bales, inasmuch as the amount might have been 50,000 as well as 15,000 in the first place. That is what he said, as nearly as I can recollect his language.

710. That he did not consider it wrong to alter the records of the department, or the order of the President, without his knowledge?

There was no permanent record made of it.

711. Do I understand you there was not a copy on file in the office?

Yes, but it was not recorded in any book.

712. Is not that just as much a record as if it were recorded in a book? I suppose it is.

713. If that was the principle on which Mr. Risley acted, why could you not as well have altered it to half a million bales?

I suppose so; I would not have altered it without his consent.

714. Why might you not have altered it so as to have made it cover all the cotton there is in rebellion?

I would not have altered it at all without Mr. Risley's consent, and I do not know whether he would have consented to it or not.

715. The principle is the same, is it not?

I do not know what might operate on his mind. His intention was, I believe, to encourage bringing out cotton.

716. Did he suppose the way to accomplish that was through one or two clerks in a department here in Washington, and a horse contractor?

I do not know what his supposition was.

JOHN W. FINNELL called, sworn, and examined.

By the chairman:

717. Please state your residence.

I am a citizen of Kentucky.

718. Have you occupied any official position?

I have been adjutant general of that State.

719. From what time to what time?

From October, 1861, to September, 1863.

720. Has your position afforded you an opportunity for observation in respect to the question of trade with the rebel States?

Within the last twelve months it has.

721. Be good enough to state to the committee what has been the result of your observation in that matter; how the trade has been carried on; by whom carried on generally; to what extent, and what has been its effect upon the Union cause.

It is very difficult to answer the question in that form. My experience has led me to believe that the difficulty has been more in the execution of the laws of Congress than in the laws themselves. The trade has generally been carried on by a few individuals; permits have not generally been granted. My impression has been, it would have been wiser to have had no trade at all than to have conducted it in the way it has been conducted. In the manner in which the law has been executed, I think it has been an injury to the Union cause.

722. What has been its operation specifically, so far as you know?

The trade has been exclusively in the hands of favorites of the Treasury Department. They have in many instances permitted supplies to be carried into the interior, which must necessarily give aid and comfort to the enemy. The agents of the Treasury Department, either with or without the authority of the department, have, in the way of taxes and costs of various descriptions, so added to the burdens imposed upon parties getting out cotton as to enhance the price of the article enormously, and open the door for very heavy frauds.

723. What have been the charges of the Treasury Department to which you refer?

There is, first, an internal revenue stamp of two cents a pound; there is four cents imposed by regulation of the Treasury Department, under Mr. Mellén's order. I never could ascertain the cause of it. I have not been engaged in the cotton trade myself, and speak merely from observation. There was then, awhile ago, and I believe even now, a warehouse tax of \$5 a bale.

724. To whom did that go?

It was paid into the Treasury Department. Then there was 25 per cent. under the act of July, 1864, of the whole amount required to be paid to the government, making an aggregate cost to the party bringing out cotton of $41\frac{1}{2}$ cents per pound paid to the government, on the basis of \$1 a pound in the market.

725. To what extent was the trade carried on?

There was quite a liberal trade at Vicksburg last spring and at Memphis this fall, until General Dana came there. I was in Memphis about ten days in the month of December, before General Dana's arrival, and there was quite a brisk trade in cotton at that time. He shut it off entirely.

726. What have been the orders from here since General Dana shut it off? I do not know.

727. On what ground was it shut off, as you understood?

That he was about to make a movement, and did not desire that there should be any communication whatever through the lines.

728. It was founded, then, upon military reasons? So I was informed.

729. Did you understand there had been an order since that time reopening the trade?

That is my information, from acquaintances here. The effect of the trade at Vicksburg, it seemed to me, was demoralizing both to the army and the agents of the Treasury Department; there was a continued conflict between them. I was detained there for some time waiting for my sisters, and saw what was going on.

730. How did the conflict arise?

Cotton would be taken by the military and turned over to the quartermaster's department; the Treasury Department would claim it as abandoned cotton; then third parties would come in and claim it as private property. It seemed to me that the public good was subordinated to this scramble for cotton. The general impression prevailed among citizens that it was a mere contest between the treasury agents and the military, in the language of the times, "who could see the most money." It was really a painful scramble that went on. The public interest seemed to be lost sight of; charges were openly made in the streets perfectly dishonorable to the officers there. The charge was made first by the military officers, and then by the treasury agents—first against one and then the other.

731. And I suppose the people believed that all either side said of the other was true?

Every word of it.

By Mr. Eliot:

732. Have you any knowledge of these certificates or permits that are granted from the Treasury Department?

I have no knowledge of them, except that some three weeks ago I made application for one for a friend, which was not granted, for reasons which were satisfactory, that General Canby's order was then the subject of consideration in the War Department, and while that was pending no permits would be granted. I understand that permits have been granted since that time. I do not know the fact. The general effect of the trade regulations, and of the trade itself, has been, in my judgment, most disastrous. The truth is, the people unanimously believe that the most corrupt and shameless practices continually occur; and without knowing the fact to be true, and witnessing any bribe paid, I have no more doubt about it than if I had seen it done. It is enough to make a man blush to hear the talk that is going about in the streets in reference to men in the highest positions. Abandoned cotton is gathered up, claims are trumped up for it, and the cases are tried before military commissions. I practiced in one of the military commissions for a short time while I was waiting there.

WEDNESDAY, *February 8, 1865.*

Members present:

Senators.
Mr. MORRILL, chairman;
MORGAN.

Representatives.
Mr. WASHBURNE,
ELIOT,
WARD,
LONGYEAR,
PERRY.

BENJAMIN F. CAMP called, sworn, and examined.

By Mr. Washburne:

733. Will you state to the committee your residence and business?

My residence is Westchester county, State of New York ; occupation that of a farmer.

734. Have you, since the breaking out of the rebellion, been engaged in trade with the States in insurrection ; if so, at what time, to what extent, and with whom connected ?

I think in October last I had permission, in connexion with others, to open a trade store at Natchez, where I went for three or four months, but it proved to be unprofitable and was abandoned ; that was the last of that operation.

735. Who were your partners in that operation ?

At the time we opened a house in Memphis. I really forget the names of the parties ; the permit was in my name, but I took them as partners.

736. From whom was that permit obtained ?

From Mr. Mellen.

737. What was the character of the permit ?

Simply to sell goods to the amount of \$15,000 per month.

738. What kind of goods ?

Groceries, dry goods, earthenware, and a general assortment ; no liquors were permitted to be sold there.

739. How many goods did you take there ?

I think some \$25,000 worth during all the time.

740. Did you sell that amount of goods there ?

Just about.

741. What did you receive in payment ?

Greenbacks, nothing else. I was in New York making arrangements for the purchase of goods when my son telegraphed that this house in Memphis could furnish the goods. I immediately went on, and remained in the south until the latter part of March or first of April, 1864 ; but the thing proved to be unprofitable and I had the store closed up.

742. Have you had any other transaction ?

Nothing prior to that. Later on, Mr. Hart, the Treasury agent, called at my lodgings and informed me that he had made three contracts for the purpose of getting out abandoned cotton, but that in every instance the parties had proposed to take the cotton to New Orleans and sell it. He said it was too valuable property to be trifled away in that manner ; that he wanted some one to go down there who would attend to the interests of the government. At his earnest solicitation I agreed to go down there and get out cotton for him ; I got out for him 600 bales of abandoned cotton, which was turned over to the United States, sold, and the money placed in the treasury.

743. Where was that cotton obtained ?

From the State of Mississippi, about nine miles back from the Mississippi river.

744. What were the terms of your agreement with him ?

I was to receive, as I was entitled under the law then to receive, one-fourth the net proceeds after deducting all the expenses.

745. What was the amount you realized from the transaction ?

Not a cent yet.

746. What is the amount you are entitled to under your contract ?

I think it will be about a quarter of \$340,000, after deducting the expenses, which I think were some \$40,000 or \$50,000.

747. What will your net profit amount to ?

I should think somewhere from \$50,000 to \$60,000. The cotton was taken to St. Louis, and got into the courts there.

748. Is it still in the courts there ? Yes, sir.

749. What was the controversy in relation to it ?

The facts of the case are these, as nearly as I can state them : I brought the cotton out on the Mississippi river, just about the time of the Red river expedition ; the cotton was sent through to the Mississippi by a party of the name of Sayles, who was familiar with all the cotton in that region. He wanted it himself, and when the cotton came out as government cotton he went to Alexandria, saw one of the parties who raised it, and got him to take the oath of allegiance ; he then gave Sayles a power of attorney to fight the matter in the courts of the United States.

750. Was it Alexandria cotton ?

No, sir ; the original owners of the cotton were cotton-growers who had left our lines and gone into the rebel lines. One of the former owners of the cotton was a rebel colonel and his son, a rebel captain ; the other partner was acting as some sort of commissary in the rebel service.

751. And you say the cotton is in controversy in the courts ?

Yes, sir ; but I think the United States will get it ; Mr. Fessenden says it is a very clear case.

752. Were any parties interested with you in getting out the cotton ?

No, sir ; I got it out myself.

753. Who did you make a contract with to get it out?

With Mr. Hart, the Treasury agent at Natchez.

754. Is Mr. Hart there now?

O no; he has been dismissed.

755. For what has he been dismissed?

I think for some charge of corruption.

756. In what connexion?

I think he has received large amounts for cotton, and in various ways; I am not familiar with his case. He was arrested, put in prison, and the government seized his property, as I heard.

757. Was there complaint against him in connexion with this contract made with you?

Not the slightest; the thing was as straight as anything could be until I got the cotton to Natchez.

758. Then what did he do?

Perhaps I misjudge the agent; he is an old man, and I do not want to be uncharitable in my views. I thought he acted as if trying to get some other parties interested in the cotton. There was a contract made for the purchase of this cotton in New Orleans, by an Englishman of the name of Montgomery, with the original owners. This party agreed to pay for it in sterling at the rate, as I recollect, of \$75 a bale. When I got the cotton to Natchez, a man by the name of Field, and one or two other parties, said they had a right to the cotton, under contracts made and for reasons which they stated.

759. Who was Field—a man calling himself Judge Field?

Yes, and who has been connected with government plantations in that region. I called his attention to the law, showing that it was a violation of the law to sell it for sterling, and that if the sale had otherwise been valid, it would have been forfeited to the United States for that reason. I think he began to get his eyes open, but he followed it up to Mr. Mellen, and protested to him against the seizure of the cotton by the government. It was held there for some two weeks. I finally went to Mr. Hart and told him, "You are doing wrong in this thing; you will ruin yourself. It will have the appearance, on your part, of trying to rob the government. Take my advice, clear this cotton, and send it up to Cincinnati." His reply was, that he would do no such thing. I then said to him that I would write to Mr. Chase, setting forth all the facts, and that he would be dismissed. I wrote a letter to Mr. Chase, and got an answer in seventeen days, ordering that the cotton be sent to Cincinnati forthwith to be sold. They refused to send it to Cincinnati, but sent it to St. Louis. When the cotton arrived there it was consigned to the surveyor of the port of St. Louis. The surveyor of the port stated that he had no money in his hands to pay the expenses of shipment, and refused to receive it. The consequence was, that the cotton was libelled by the owners of the boat to defray the expenses of shipment. I employed counsel, and went into the courts with them. I employed a Mr. Charles Drake, well known in that city as an eminent lawyer. The result was, that the case was dismissed for lack of jurisdiction, on the ground that they did not think United States courts were constituted for the purpose of defrauding the government. The cotton was then released, so far as the United States court was concerned, but this man Sayles sued out a writ in the county court of St. Louis for it.

760. A writ of replevin?

Yes; we then made our complaints to General Rosecrans and General Ewing, who issued an order forbidding the court to take possession of the property until orders were received from Washington. The matter so remained for some time, until, through Mr. Mellen, a contract was fixed up, by which the parties agreed to have the matter tried in the United States court at St. Louis. That trial has yet to take place.

761. Where is the cotton?

The cotton was sold by consent of parties, and the proceeds invested in five-twenty bonds, which are now here in the Treasury Department, awaiting the result of the trial.

762. Did you enter into this contract to get out this cotton at the solicitation of any person; and if so, of whom?

Only at that of Treasury Agent Hart; he pressed me urgently. I had no more idea of any such transaction when I went there than you have; but he said, "If you do not do it, the cotton will be sold, and the government will lose it." I went down at the risk of my life, and spent about ten days in getting it out. We were under fire part of the time, and had a great deal of trouble in getting it out, but succeeded finally in so doing.

763. Had you any other cotton transactions down there?

No, sir; I tried to get at some cotton, but failed.

764. You spoke of receiving twenty-five per cent. as your portion for getting out the cotton. Under what law or regulation was that?

I cannot exactly give you the date of the law. It was in accordance, I think, with Treasury regulations of August 4, 1862; I will not be positive.

765. Will you state the substance of that regulation?

It is, in substance, that treasury agents shall have power to make contracts for getting out abandoned property, for which they shall be entitled to receive one-fourth of all the net proceeds, after deducting expenses.

766. Do you mean that the agent should be entitled to one-fourth?

No, the party getting it out.

767. Have you been engaged in any other cotton transaction?

Yes, sir.

768. State what these transactions were.

I obtained a permit under which I contemplated getting out cotton last fall, but very little has been consummated under it, for the reason that we have not had military permission.

769. From whom were your certificates or permits obtained?

There were two obtained by the President's order.

770. To whom were they granted?

One to Norris, Camp & Champion; the other to Lazare, Camp & Brooks.

771. For what amount of cotton was the first certificate?

I think it was for 13,000 bales.

772. Where do these parties, Champion & Norris, live?

Champion in New York; Norris was here. He is a resident of California. He is a large owner of real estate in Texas, and has 600 bales on his plantation. Champion, I think, has some 7,000 bales on his plantation.

774. How many have you?

I didn't have any.

775. On what principle was the permit or certificate granted?

The application is made by a written statement of the parties, or either one, that they control cotton.

776. Was such a written statement required and made in your case?

Yes, sir.

777. Was it sworn to?

Yes, sir.

778. By whom?

Mr. Norris.

779. Do you know whether it was a rule to require statements made and sworn to in every case?

I really cannot say. I know it was in that case.

780. When was that certificate granted?

I think it was dated on the 17th of November, that is the executive order; the permit itself was granted some time in September. We were five or six weeks here in getting these permits through, pressing the matter very hard day after day.

781. Will you now state, in regard to the other certificate or permit, when it was granted, and to whom?

It was granted to Lazare, Camp & Brooks.

782. Where do these parties live?

Lazare, I think, is a New-Yorker, and Brooks is of New York.

783. Who made the affidavit in that case, and what was the purport of it?

I will not be certain as to whether there was an affidavit accompanying that application, for the reason that the papers of Lazare were papers made out prior to the second day of July, and this was simply a renewal of the old permit.

784. I understand you to say, then, that there was no affidavit made in that case?

I will not say whether there was or not; I do not recollect of there being one. The papers evidently showed that Lazare had a large amount of cotton, and, furthermore, I would state that these papers were accompanied by an order from General Sherman to Lazare to get out his cotton.

785. Then I understand you to say that Lazare was the man who had the cotton, and that it was upon the cotton that he had that this certificate was granted?

Yes, more particularly upon that.

786. Did you have any?

No; not a very large amount. I had talked with a party with reference to the purchase of cotton, but had never purchased it.

787. Did you have any control over it, or ownership of it?

No direct ownership. I thought I had control of about 5,700 bales.

788. How control of it?

For the reason that I talked with parties about purchasing it, and agreed with them in reference to it; but about that time the rebels came in and took possession of that section of country, and nothing further was done.

789. Was talking about purchasing this cotton giving you control over it?

It would require a long time to show you why it should do so.

790. Have you ever seen the cotton?

I have seen some of it.

791. Where was it?

At a place called Fort Adams.

792. Who is Mr. Brooks, one of the parties to this contract?

He is the representative of Mr. Haskell.

793. In what does he represent him?

He represents his interests.

794. Is he a young man?

Yes, quite a young man.

795. Has he any further connexion with Mr. Haskell than merely as clerk?

I do not know that he has.

796. Why was not Mr. Haskell's name put into the contract directly?

I will tell you. Mr. Haskell came to me with these papers originally, and said he would like to get permission to take this cotton out. He did not think Mr. Risley liked him very well. He did not know why, but his relations to Mr. Risley were of such a character that he did not think a permit would be granted with his name in it. He said I had known Mr. Risley for a long time, and he would like to have me get this case before him, which I did. I showed him the papers, and tried to get a permit, without the condition of twenty-five per cent. being paid to the government, for the reason that it was to take the place of an old permit obtained prior to the 2d of July. I did not succeed in that; but, finally, Mr. Risley granted the permit, with the twenty-five per cent. to be paid to the government. Our interests were divided — two-sixths to myself, one sixth to Mr. Haskell, and the other half to Mr. Lazare.

797. Was there any other person or persons interested in this certificate?

Not as I know of.

798. Did you ever see the certificate which was granted in this case?

Yes, sir.

799. Will you state whether the certificate and executive order which I now hand you (copied into the testimony of T. J. Conatty) is the one which was granted?

This is the identical paper, having been altered by inserting the name of "Lovie" in place of "Lazare."

800. What do you know about that alteration?

Nothing in the world except from the representation of Mr. Haskell.

801. What did Mr. Haskell represent to you?

That Lazare declined to act under this permit; but that he had found a Mr. Tibbets who owned some 20,000 acres of land in Louisiana, and was perfectly willing to go down there and get out more than this amount of cotton. Tibbets desired for certain reasons to have the name of Lovie inserted in the contract. That is all I know about it. I have no acquaintance with Lovie, and do not know him from the man in the moon.

802. Who made the alteration?

That I could not tell you.

803. When did you hear of this?

I should think a month ago.

804. By whose authority or direction was the alteration made?

I presume under the authority of Mr. Risley; I do not know.

805. Have you seen this instrument before since the alteration was made?

No, sir.

806. You knew that an alteration had been made?

Not until I was informed by Mr. Haskell.

807. And Mr. Haskell informed you that a partner had been given you without your knowledge or consent?

Yes, sir.

808. Did Lovie make any statement or affidavit to the department that he had the ownership of cotton?

I cannot say.

809. Will you look at the executive order of the President, and say to whom that order was originally issued?

It was originally issued to Lazare, Camp & Brooks. It now reads Lovie in place of Lazare.

810. Is it an evident alteration?

Certainly, very evident.

811. Do you know whether the President ever issued any order for Lovie, Camp & Brooks to bring out cotton?

He never did.

812. By what authority was Lazare's name erased from the order, and Lovie's put in? Simply for the reason that Lazare, when he found the government was going to get 25 per cent. of his cotton, declined to act under it.

813. Was the alteration made with the consent of the President?

Not that I know of.

814. Has anybody the right to change the order of the President of the United States, and put in the name of another person?

Not unless by permission.

815. If Lazare's name could be erased in an order of that kind, and Lovie's name put in, why could not his name be erased, and that of Jeff. Davis put in, making the President appear as giving an order for Jeff. Davis to bring out cotton?

That is a pretty strong statement of the case. I have no idea this was done without the knowledge of Mr. Risley.

816. What right had Mr. Risley to alter the President's order, without the consent of the President?

I think Mr. Risley and the President are very anxious to get out cotton, if they can properly, and that the President left the matter pretty much to Mr. Risley.

817. Did the President give Mr. Risley the right to change the records of the department?

I certainly do not think Mr. Risley would assume any responsibility of that kind. I found it very difficult to obtain any certificate at all from Mr. Risley.

818. But you did get two?

Yes, sir; two that I was interested in. Nothing has been done with either of them.

819. Do you know of any further transactions with parties having permits or certificates?

Nothing at all, except what I hear. I have heard that Mr. Durant, whom I saw at the door just now, has one.

820. What do you know about that?

Nothing at all. I merely named him because I saw him there just now.

821. Have you any further interest in certificates of this kind?

These are the only ones I ever received.

822. And you have no further interest with others, either directly or indirectly?

None, whatever.

823. Have you contemplated or made any arrangements under these permits?

I have arranged partially for getting out thirteen thousand bales of cotton, provided I can get the consent of the President and Mr. Risley to erase the name of Norris, who gave the thing up when he found that the government was to have one-fourth of the cotton, and the remainder to be divided between myself, Mr. Haskell, and himself. He said he could not afford it at present prices, although three months ago he could have afforded it.

824. You say you have made partial arrangements; with what parties have you made these arrangements?

With Mr. Burtis, a merchant in New York.

825. Was he to advance the capital?

Yes, provided everything was all right, and the papers straight. I made application to Mr. Risley to see the President, and have the name of Norris erased so that I could go on; but it has not yet been done.

826. How recently?

About two weeks ago.

827. Then I understand you that Mr. Risley now thinks it necessary to get the permission of the President to alter his certificate?

Yes, certainly.

828. How long since he came to that conclusion?

I think it has always been his opinion. I confess I have never seen anything wrong in Mr. Risley; I have known him a long time; we were both in the legislature together, and I think he has been disposed to do what he could to oblige me, without compromising his position or himself as a man.

829. If you got out this cotton, what did you expect to pay for it?

Greenbacks.

830. Was it contemplated to make any exchanges of goods?

According to our contract with government, we had the right to take in goods to one-third the amount after we had got the cotton out, but I told the Secretary that, under the circumstances, if he would give me the permit I would take no goods in at all. I will state further to the committee, that in Texas they have not a yard of bagging or a pound of rope, except what is sent from England or Europe; and that for bagging and rope for one thousand bales of cotton I can bring out one thousand bales and pay for it all in greenbacks except, probably, as to the first cargo, when I should have to take in about five thousand

dollars' worth of goods, to induce the rebel government to allow the cotton to come out; for pretty much all the cotton in the confederacy belongs to the rebel government. There are very few individuals in the confederacy who own cotton. If the government would grant that permission, cotton enough could be brought out in the next six months to amount to \$200,000,000 in gold. By that means you would put the finances of Great Britain and France entirely in our control. The rebels do not need supplies so much as many of us think they do. There is certainly a very large amount of cotton that could be brought out and paid for in greenbacks by allowing bagging and rope to be taken in.

831. You say that the rebel government owns all the cotton; then whatever purchases are made by virtue of these permits will be purchases really from the rebel government?

I do not say in every instance, but I think a very large majority of it belongs to the rebel government. They have to hold it in order to sustain their credit abroad. This is on the eastern side of the Mississippi; on the other side it is different. Kirby Smith has full control there, and he cares no more about Jeff. Davis than we do. There, individuals do own cotton, and that is the only place where you can trade to any extent with individuals.

832. Do you know any parties connected with this trade in the rebellious States?

No, not one.

833. You have had no intercourse or correspondence with parties there?

No, not in any way, manner, or shape. On my return from the lower Mississippi last winter, I saw Mr. Chase, and talked this matter all over with him previous to his resigning. I told him what I thought could be done. He said he would be very happy indeed to see cotton come out, if it could be properly accomplished; that the government needed money.

834. You speak of this cotton as furnishing the government with money; do you know the amount of money that has been paid into the treasury from this cotton trade?

The amount I imagine is very small. I think I brought in more cotton in sixty days than was brought in by everybody else.

835. Then the government has not derived much benefit from this trade, so far?

Very small, for the reason that the military interfere about getting it out. I do not think it is their policy to let any cotton come out.

By Mr. Ward:

836. Do you know of any parties who have got cotton out from the rebel States?

There are a great many parties trying to get it out, but not many succeed.

837. What is the mode of getting cotton out in such cases as you speak of. Do they go within the rebel lines?

They have to; there is no cotton within our lines. It has all been moved back.

838. Is it not removed by the rebels to our lines?

Yes, it is often moved by parties in the night. Parties will get together a dozen teams and take it to our lines in the night and be back by daylight.

By Mr. Perry:

839. What was the reason that Mr. Lazarc refused to act under this permit?

Simply because he thought he could make better terms, by which he would not have to pay a quarter of it to the government.

840. Then it had no reference to your being interested in the permit?

No, sir.

PETER E. BLAND called, sworn, and examined.

By Mr. Washburne:

841. Please state your residence and business.

My residence is Memphis, Tennessee; my business is the practice of the law.

842. How long have you lived in Memphis?

I have only lived there since I left the service, which was, I believe, the middle of January, 1863.

843. What service were you in?

I was in the United States military service six months; my health failed me, and I had to retire from the service.

844. Have you been in any way connected in the trade with the rebellious States since you have been in Memphis?

No, sir.

845. Have you any knowledge in regard to the manner in which that trade is carried on?

Only from the statements of others. I have had a great many statements made to me, mostly as counsel, but I have no knowledge of my own on the subject.

846. What do you know in relation to cotton brought out from the rebel lines, and what do you know about goods and supplies going into the rebel lines, in payment of cotton? I ask for your knowledge and belief.

I have seen cotton coming into Memphis; that is, I have seen it on the streets in Memphis, and it was my inference that it came through the lines; but I never saw any coming through the lines. I have seen it on wagons coming towards the lines.

847. Has there been a large trade carried on in Memphis in cotton in the last year?

That is my belief, founded on what was the general and almost universal impression, that cotton was coming in to a very large extent, and that goods were going out to a very large extent. I never saw any myself, but that is my belief.

848. What is considered to be the effect of the trade carried on with the rebels in the exchange of goods for cotton?

The general impression I received would be about this: That demoralization, especially in our army and with the people, was the result of the trade, to a great extent; that a great deal of trade was carried on which was illegal and contraband.

849. Do you know of persons having permits to trade with the rebel States?

Yes, sir; I know of several who had permits to buy cotton in the rebel States.

850. To buy large amounts of cotton under these permits?

I think these permits covered from 50 to 2,000 bales. I understand there were permits issued for much larger amounts of cotton. I do not remember to have seen myself permits for larger amounts than 1,000 bales; but my memory is not distinct on that subject.

851. Do you know any other matter or thing in this connexion which you can state?

Nothing occurs to me of importance.

852. You say it was your opinion, and the opinion there, that the effect of this trade is demoralizing?

That is decidedly my own opinion, and I speak altogether of my surmises and conjectures rather than from any knowledge on the subject. If I were to go over the matters of the last year and refresh my memory, I might be able to state particular facts illustrating the impression. I have stated that there has been a good deal of trade there which I knew of from time to time, where parties would come through the lines representing themselves to be well-disposed to the government of the United States, and get, sometimes, permission to take away considerable bills of goods; these were cases constantly occurring in Memphis; many of them were meritorious, and many of them, probably, were not.

By the chairman:

853. When you speak of demoralization, do you mean in the army or navy, or the people generally?

I have reference especially to the army and navy, and to the officers of the Treasury Department.

854. Both officers in the line and officers on detached duty?

Yes, sir.

855. Was there a feeling or belief that officers in the line and officers on detached service were engaged in this matter of purchasing cotton?

The impression, as far as I have been able to gather it, is very general that a large portion of the officers there were involved, directly or indirectly, in the trade, and that some were interested directly in it.

856. Were officers in the quartermaster's or commissary's department interested in it?

I cannot say that I have any very distinct impression as to the quartermaster's department in regard to this trade. The impression is universal there that that department is making a great deal of money in some way or other; but I have never heard, that I recollect, any impression connecting it directly with the cotton trade. So far as the commissary department is concerned, I do not think I ever heard anything on the subject.

By Mr. Ward:

857. You stated there were parties who had permits; did you see these permits, or either of them?

Yes; at different times I have seen several of these permits.

858. By whom are they given or signed?

Prior to the regulations under the late act I think they were generally signed by the treasury agent at Memphis, or by the general supervising agent; I cannot say at this moment that I ever saw a permit signed by Mr. Mellen, but my impression is that I have. Since the new regulations have been in force the permits were signed by Mr. Ellery, the purchasing agent for the government at Memphis.

859. Can you say whether these permits authorized the taking of merchandise or the exchange of merchandise for cotton?

No, sir; not in the first place; these permits are given to A. B., on his representation that he has some cotton; the former permits were simply authority to the party to hold and purchase cotton in such and such localities, usually in one or two counties in a State.

860. They did not state from whom the cotton was to be purchased?

No; simply permission to purchase within a specified district in the rebel territory.

By Mr. Perry :

861. Have you ever had a contract to buy cotton?

No, sir ; I had some bales of cotton presented to me, which are still down in Mississippi. The Secretary of the Treasury, in consideration of my services, gave me authority to bring it up to Memphis ; but I have never availed myself of it.

862. Is it your impression that much cotton could be obtained on the Mississippi without an exchange of merchandise?

No, sir ; very little ; a great deal with a liberal exchange and very little without.

863. Do you know of our forces having been used at any time in transporting this cotton or protecting it?

I have heard that such was the fact, but have no knowledge of my own at all.

CHARLES K. HAWKS called, sworn, and examined.

By Mr. Washburne :

864. State your residence and business.

Residence, New York city ; business, manufacturer.

865. Have you, since the breaking out of the rebellion, been engaged in trade with the rebel States? If so, where engaged, to what extent, and with whom have you had business connexions?

Prior to the breaking out of the war, our entire business was with the south. We were manufacturing goods that were sold exclusively in the southern market. After the breaking out of the war, and after the port of New Orleans was opened, having large accounts due in Louisiana, I went there, and, in a great many instances, made exchanges for my old accounts, notes, &c., for products to be gotten out when I could. That is the only trade that ever I have had with the rebels, until lately. This began in January, 1863.

866. What late transactions do you now refer to?

I refer to some contracts made with parties in Georgia and Alabama, who were desirous of getting out products they had there—parties with whom I had dealt, and for whom I made a contract with the Treasury Department to bring these products out.

867. Where did these parties live, and what were their names?

They lived in Alabama—in Mobile, Montgomery, and Selma ; and in Georgia—in Macon, Marietta, and Savannah.

868. Have you had any communication with them?

Not very recently ; I had communication with them about two months ago, or perhaps more. I think in November—not since.

869. By what means did you communicate with them?

By parties going there and passing through.

870. Did you have any party to represent you in the rebel lines?

Yes, one.

871. What was his name?

Stuart ; I cannot recall his first name

872. Where did he live?

In New Orleans

873. How did he get through the lines?

By permit from the commanding general.

874. What general was in command?

General Granger.

875. For what purpose did he go through?

He went through for the purpose of making some arrangement whereby this cotton could be delivered at a point from which we could take it out.

876. How much cotton did he find?

I do not know.

877. Have you had any certificates or permits from the Treasury Department to bring out cotton?

I have had no permits that have been granted by the Treasury Department at Washington. I had a contract with the Treasury Department ; it is not a permit. It was a contract whereby we agreed to bring out a certain amount of cotton, of which we agreed to give the government one-quarter. It was under the law of last July.

878. Did you receive anything in the shape of a certificate from any treasury agent, that he had agreed with you, or with any parties connected with you, for a certain amount of cotton which you were authorized to bring out?

Yes, I did.

879. Who was that agent?

Mr. Risley.

880. Did you obtain it here?

I did.

881. At what time?

The latter part of December last.

882. For how many bales of cotton?

About 60,000 bales.

883. Who are your associates in this certificate?

There are none specified in the certificate. The certificate runs in my name alone.

884. Were you required to make any oath or statement, in writing, before you obtained this?

I made a statement that I believed I could purchase of certain men residing where these men were, if the government would protect me against its seizure and confiscation, a certain amount of cotton. I stated that I could do this, if the government would legalize and legitimize the transaction.

885. Was anything further than this statement required?

No, sir.

886. And upon this statement you secured the certificate in your own name?

I did.

887. Where did you certify that the cotton was?

If the committee will permit me to go back a little and explain, they will understand why I fixed it at that amount, or why the amount was so large. In November or December, 1863, certain parties with whom we had formerly done business, residing and being in rebellion, one of whom had protected some property belonging to me, and which I had shipped just prior to the war, who had been so kind as to screen my property from confiscation, having converted what he had into gold and silver, ran the blockade, came through the lines, and subsequently came to the north. I had seen him in New Orleans. He made the statement that, if the government would make an arrangement with any party in whom they had confidence to allow cotton to be brought out, there were parties in rebellion, any number of them, who were anxious to dispose of their real estate, and invest the proceeds in cotton; and that, if it was allowed to be brought out, they would agree that 50 per cent. of it should be invested in government bonds, to be deposited in the Treasury Department, and remain there until the end of the war; that if, during the time intervening until the end of the war, they had committed any overt act against the government, these bonds were to be forfeited. The other 50 per cent. was to pay the government duties, and to be divided among the parties who brought it out, after paying the expenses of bringing it out. I submitted the plan to General Banks, then in command in New Orleans, to Governor Shepley, and to Admiral Farragut. They knew it was feasible, because there were any number of men who were ready to enter into it. I came on here in the latter part of December, 1863, and laid the plan before the President, who approved it, and asked me to draw out a statement of the plan carefully, which I did. Mr. Seward and other members of the cabinet approved it, but the Secretary of the Treasury defeated it. Growing out of the preliminary proceedings for that arrangement, those parties had made consignments, and had sent us bale-marks, and much information regarding cotton which could be brought out under such an arrangement. That failing, we tried to get a permit to bring this cotton out.

888. And that permit you have, under date of December, 1864, calling for 60,000 bales?

Yes, sir.

889. What was cotton worth a pound at that time in the New York market?

About \$1 24 or \$1 30 a pound.

890. What would the cotton you contracted for amount to, sold in the New York market?

At \$1 a pound, it would bring something like \$30,000,000.

891. What parties, if any, are interested in this certificate?

Mr. Charles A. Weed, of New Orleans, is interested in it.

892. Where is he from?

He has lived in California a number of years. He is a New York man, originally, I believe, from Stamford, Connecticut.

893. Is he the only party?

Yes, sir.

894. The only party interested directly or indirectly?

There are some others interested indirectly.

895. Who indirectly?

One of my partners, Pratt Maynard, the firm of C. A. Weed & Co., and the firm of Vox, Pratt & Co. have an indirect interest; they are the only parties.

896. What steps have you taken under this permit?

Very little. General Canby has been opposed to everything of the kind, and consequently very little has been done under our contract.

897. Have no preparations been made?

We did make some preparations.

898. What preparations?

In the way of transportation for bringing out cotton down the river.

899. Have you made preparations for sending anything in?

No, sir; we never proposed to do anything of the kind.

900. What did you propose to pay for the cotton with?

Greenbacks. A good share of the parties were anxious to dispose of their cotton for greenbacks, intending to follow it out themselves at the earliest convenient moment.

901. Were you in New Orleans at the time of the Red river expedition, so called?

I was.

902. What do you know about cotton transactions connected with that expedition?

I know a good deal.

903. Be good enough to state what you know in reference to these transactions.

I will state what I suppose to be some of the facts connected with it. It was understood between the parties of the one part—that is, the rebels—and the United States forces, that loyal persons who were desirous of disposing of their cotton could do so, without any interference and without any seizure; and that nothing but greenbacks should be paid for it. With that understanding, when the expedition started, a great many planters along the lines hauled their cotton to the banks of the river, with a view of disposing of it. When Porter came along up he seized it. The result was that they, considering it an act of bad faith, commenced to burn it. That is about the amount of the whole transaction.

904. By whom was this understanding had on the part of the Union forces?

It had been the policy of General Banks's administration to allow cotton to be purchased for greenbacks, and he gave every encouragement to parties to bring it out, provided it could be done without interfering with military movements.

905. Who were the parties to the agreement?

I do not know that there was any formal agreement. There seemed to be a mutual understanding.

906. Who were the parties to that understanding, so far as the Union forces or authorities were concerned?

General Banks and the treasury agent there repeatedly stated that there would be no interference with or seizure of cotton bought of rebels in this way. The cotton was brought out with that understanding, but Porter seized it.

907. Who had made the statement on the rebel side, that this trade would not be interfered with?

I could not tell you who made the statement, but there seemed to be such an understanding. The proof that there was such an understanding is found in the fact that they acted on it, and hauled their cotton down to the river, which they would not have done if it had not been the understanding that it was not to be seized. I cannot state the fact from my own knowledge, because I do not know it. I state what was the general impression, and the fact that the banks of the river were lined with cotton when Admiral Porter went up is a proof that it was the understanding.

908. What was done with the cotton that was seized by Admiral Porter?

Some of it was taken up the river, and went into the courts in Illinois; some of it has been surrendered, and, I presume, some of it has been confiscated. I do not know.

909. Are you interested in any other cotton transactions than those you have spoken of?

No, sir; I never have been.

910. Have you ever purchased cotton since the breaking out of the rebellion?

Only in the way I tell you.

911. How much have you purchased in that way?

We have contracted for about 30,000 bales, all told.

912. Under this permit?

No, sir; under a permit granted before that, by the treasury agent in New Orleans. Permits were frequently given by him to parties to purchase and procure a certain amount of cotton, sugar, and other products outside the lines. They then, after purchasing, had to obtain the permission of the military authorities to bring it out, which, at one time, would usually be given, if it could be done without detriment to the service. A great deal of cotton was brought in that way.

By the chairman:

913. Do you mean that your 30,000 bales were brought out in this way?

O no, sir; we have brought out but very little cotton. The reason was, that after we had obtained the permission of the treasury agent, we could not get permission from any

competent military authority to bring it out, for fear of the imputation being cast upon him of mixing up in cotton speculations. It is very difficult for a man to do anything down there in getting out cotton, for that reason. The military commanders, most of them, do not oppose the policy; but so much has been said, and the characters of so many of them blackened by charges against them as cotton speculators, that they are very cautious and shy of giving any authority on the subject. We would not undertake to bring any out, unless we could get a straight, square permit. Most of the cotton that was brought out in the early part of the year 1863 was brought by a set of unscrupulous fellows, Jews and anybody who would hang along on the front of the army and along the lines, and smuggle a bale or five bales at a time. A good deal of that was seized, confiscated, and sold; but it came out in that way. You could not get respectable and responsible parties to go into the business. They were trying to get the government to adopt some policy legalizing and legitimatizing a trade of that kind.

914. Did parties get permits to take provisions and articles useful for the rebel army in the side rebel lines?

I do not doubt that there have been a thousand things taken in of that description; it is so stated. I could not put my hands upon the first man I positively knew had taken in such articles, but I have no doubt but that it has been done; and it has been done by the same class of men I have mentioned, by sutlers, Jews, and such men—who will smuggle and steal small amounts through the lines. I do not know of any permits having been issued to put such material into the rebel army. In Louisiana there are a great many people who have leased plantations, and these plantations extend over so large an area that they are not always protected by a picket in the rear, because we have not sufficient military force to do so. The parties having these plantations have permission to take out a certain amount of stuff for their support, and I have no doubt that under that guise a great deal has been taken within the rebel lines.

915. In obtaining this permit, did you make any agreement to pay any person directly or indirectly, for his influence in getting it?

Nothing except to parties in interest.

916. What parties in interest did you agree to pay?

Those only who were connected with me in furnishing means, &c.

917. Were any considerations or inducements held out to parties for influence in getting it?

No. It was obtained upon a plain statement of facts.

918. Do you know anything in relation to permits in New York being sold or offered for sale?

Yes; I have had parties come to me and propose to sell.

919. Do you know of any being sold?

No, sir; I do not.

920. Who has offered any for sale?

I do not know in whose name these permits were granted.

921. Who offered them for sale?

I do not know whether the parties who came to me were second-hand parties or not. I did not propose to buy; and I do not know that I can name the parties. I think a man by the name of Durfee, or some such name, came to me about a permit once.

922. Where does he live?

I do not know.

923. What price did he propose for it?

I do not know. I never talked about anything of the kind. They would come to me and ask me if I didn't want to buy; I would take no notice of it.

924. Do you know of large amounts being asked for an interest in a permit?

No; I do not. I have heard incidentally of permits being sold, but I do not know about the name, price, or anything about them.

925. Do I understand that no supplies have been taken in under this permit?

I do not know what the parties in New Orleans may have done. Of course, as soon as General Canby will allow that permit to go into execution, they will bring in cotton under it.

926. Do I understand that General Canby has, by military regulation, forbidden this trade?

It amounts to about an absolute prohibition. I know his policy is against anything of the kind.

927. Who is this Mr. Weed?

He is a man carrying on a large number of plantations in that region.

928. What were your inducements to let him in?

I will answer that question by telling you this: When I first went to New Orleans the State Bank of Louisiana had about a million dollars of confederate currency, taken on de-

posit General Butler issued an order prohibiting the circulation of that currency, and he then issued another order requiring all deposits made in bank to be paid in United States currency. That would, of course, require this old bank to replace this million dollars by greenbacks, which would just eat up its entire capital. Of that capital \$700,000 was owned by northern men. In representation made to General Shepley, the fact was also stated that the bank owed the State \$450,000 or \$460,000, which they could only pay in this currency. They obtained from Governor Shepley, with the approval of General Butler, permission to send men into rebeldom with this confederate money and buy cotton, and that that cotton might be brought in when they could reach it. The man employed by them went up into the Red river country and purchased 3,000 bales of cotton. He went up to Shreveport and that part of the country in the northwestern part of the State. When our troops took Baton Rouge the rebels, having a large amount of cotton in that region, proposed to this bank to make an exchange. They did make the exchange, and the bank took cotton upon the Washita river, under the sanction of the military authorities. Mr. Weed bought that cotton. Of course Mr. Weed, having so large an amount of cotton to which he had an unquestioned title, made it an inducement for me to include it under my purchase, and therefore to let Mr. Weed in. In other words, I believed I could make more money by so doing than by carrying on the business alone.

929. Mr. Weed was mixed up with these operations of the State Bank of Louisiana.

He bought that cotton of the bank with the consent of the United States authorities.

930. Who gave their consent there?

General Banks, and General Shepley, who was at that time military governor. A statement of all that is on file with the President. I submitted it to him, I know, at the time I proposed to take fifty per cent. in government securities and deposit them in the treasury. This bank cotton was in that contract. The State of Louisiana also owed the United States government (and, I believe, have not paid it yet) some amount of money, which amount was to be liquidated by the bank in this transaction.

By the chairman :

931. Have you any idea of the amount of cotton brought out on that Red river expedition?

I could not answer that question, for the reason that a great deal of it was seized. The naval forces went straight up the river, and seized it as fast as they could. When the inhabitants found out what was going on, they burned a great deal which had been brought to the river.

932. Have you any idea of the amount Porter brought away?

I have not. A great portion of that cotton, instead of being brought to New Orleans and sold, was sent up the river to Cairo.

933. But you mean to say that it amounted to many thousand bales?

Yes; I supposed he had taken from five to eight thousand bales, but I could not tell exactly; it is merely an impression that I have.

934. Do you know a man in New Orleans by the name of Bodfish?

I knew a man there of that name, but I do not know whether he is there now or not.

935. Do you know anything about his operations in cotton?

I know he had a pretty large operation in 1863 at Baton Rouge.

936. Was he then within the rebel lines?

No, sir; he lived in Baton Rouge.

937. Do you know of his being within the rebel lines?

No; I presume he communicated with them however—almost everybody did.

938. There was no other way of succeeding in these transactions except by communication through the lines?

No; you must have some party outside the lines who can protect it until it is brought within our lines.

939. Then those permits involve some one passing the rebel lines?

Yes.

940. And a correspondence with the rebels?

Yes; they have to make some arrangement with the rebels. I suppose they make the best arrangement they can. Of course they have to make some arrangement with the rebels or with guerilla parties. The country back of Eaton Rouge in the early part of 1863 was not much occupied by the troops of either party for a good many miles back, and was consequently much infested by guerillas and scouting parties.

941. Are we to understand distinctly that the military authorities in Louisiana encouraged this trade?

Yes, they sanctioned the policy.

942. And they endeavored to facilitate the trade by permits?

Yes, when they were satisfied that the parties would not abuse them, I think they did.

By Mr. Ward:

943. Do you know of any officers in the army who were engaged in cotton operations while in the army? No, I do not.

944. Do you know of near connexions of such officers being so engaged?
I do not know that I do.

945. Was this cotton usually brought out during the day, or night?

It came in daylight mostly. There was nothing secret about it. Its arrival was always reported at headquarters, and it usually passed through the quartermaster's hands for transportation.

946. What benefit did the government derive from it?

Simply the taxes. At that time they had a hospital tax down there for the benefit of invalids; and then there was the revenue tax, amounting in all to about six cents a pound. The hospital tax was so much a bale; the internal revenue tax was fixed at so much a pound. There was a great deal of cotton that came through, however, as I have said, by sutlers, Jews, and that class of people, from which the government derived no benefit. These parties out in the front would bribe the pickets, or in some way manage to smuggle it through. I cannot speak of any cotton that I know came through in that way, but a great deal of it turned up that nobody could tell where it came from.

947. Were facilities furnished by the rebel forces as well as ours to get this cotton out?

I do not think the rebel government facilitated it very much. They wanted the cotton themselves, and they would not encourage taking it out unless provisions or munitions of war or something substantial was furnished in exchange. They would not encourage the sale of cotton for greenbacks; on the contrary, in the department of Texas and in the Red river country very stringent orders were issued, prohibiting anything of the kind. There was a Major McKee who they fancied was mixed up in such an operation, and he came very near losing his neck for it.

948. Who was in command of our forces at the time these transactions occurred?

When I went there in 1862 General Banks was. I think General Banks relieved General Butler about the middle of December, and I arrived there about ten days after.

949. Then you was not there during General Butler's administration? I was not.

950. Have you been in the service at all?

When I went there I went as deputy United States marshal under the provisional court established by the War Department and President. That was in January, 1863. The court was organized under Judge Peabody.

951. Was or was not the general effect of these cotton transactions demoralizing?

It was in the way it was done, because you could not get a commanding general to license it, for fear of the charge being made against himself that he was mixed up in it.

952. Did General Banks sanction getting out cotton from the rebel lines?

He sanctioned it in his policy. He advocated it very strongly, and he came to Washington for more direct authority. He didn't want to take the responsibility himself. He very strongly approved the proposition which I made to the authorities here, and which Secretary Chase kicked over for some reason or other. From that grew out the regulations of January, 1864, which never amounted to anything.

953. Were not permits granted by the agents under those regulations?

Yes; though but very little was done under them.

954. Do you know any other parties who have been successful to any great extent in obtaining contracts?

No, sir; I know that there are other parties situated in the same position that I am, who are doing exactly what I am doing, waiting for the general in command to allow the permits to be used.

— THURSDAY, *February 9, 1865.*

Members present:

Senator.

Mr. MORRILL, chairman;

Representatives.

Mr. WASHBURN,

ELIOT,

LONGYEAR,

WARD,

PERRY.

THOMAS C. DURANT called, sworn, and examined.

By Mr. Washburne:

955. Be good enough to state what is your residence and business.

I reside in New York; am a vice-president of the Pacific Railroad Company.

956. Have you, at any time since the breaking out of the rebellion, and if so, at what time, been connected with any trade with the rebel States? If so, in what manner, to what extent; if connected with any persons, with what persons?

I purchased some cotton of a Mr. J. W. Jennett.

957. At what time?

I think it was in October or November of 1864.

958. How much cotton did you purchase of him?

I think there were 1,162 bales.

959. Where was that purchase made?

In New York.

960. Who is Mr. Jennett?

I do not know; he was brought there as a man having cotton for sale.

961. Do you know his residence?

He was in New York; I do not know where he resided at that time.

962. Do you know whether he had been a permanent resident of New York city?

I think not; I think he was formerly either from Mobile or Florida. His cotton was in Florida.

963. Where was this cotton when you purchased it?

It was near Indian River, Florida, and Tampa Bay.

964. Was it within the rebel lines?

It was and was not; our gunboats could run right inside where it was.

965. Have you got the cotton out?

No, I have not.

966. What price did you pay for it?

I do not know what price I paid for it. I think I paid some \$7,000 or \$8,000 down. I was to pay him one-sixth of the gross amount of the purchase of the cotton at, I think, 20 or 30 cents a pound. The contract was made by other parties: I merely went into it and took half the cotton. I suppose they wanted me to furnish money for transportation. I have here a copy of the contract for that cotton, a duplicate of which I gave to Mr. Jennett. I also have here the original bill of sale, executed by Mr. Jennett to me, and of my agreement with Mr. Jennett, all of which papers I submit to the committee.

"Memorandum of agreement made November 13, 1864, between H. A. Risley, agent authorized to purchase, for the United States, products of States declared in insurrection, of one part, and Thomas C. Durant, of the other part.

"The said Durant agrees to sell to said Risley, agent as aforesaid, and to deliver to him at Norfolk or New York, four thousand one hundred bales of cotton, product of the State of Florida, to be transported by way of Key West, Pensacola, or Fernandina; and the said Risley, agent as aforesaid, agrees to purchase said cotton on the following terms and conditions:

"The said cotton to be sold in New York, by or under direction of the said Risley, under the same conditions as other sales of like public property are made, all expenses, costs, and charges connected with the purchase, transportation, storage, and sale of the same, together with the internal revenue tax, and permit fees prescribed by regulations, to be first paid, and the net proceeds, over and above such expenses, costs, charges, taxes, and fees, to be disposed of as follows: one-fourth part thereof to be retained for the United States, and three-fourths to be paid to the said Thomas C. Durant.

"And it is further agreed between the parties, that all cotton transported under this contract shall be consigned to said Risley, agent as aforesaid, and shall be shipped on a government transport, or if not so shipped, shall be in the immediate charge of an agent to be appointed by the said Risley, whose compensation and expenses shall be paid by said Durant.

"Nothing in this contract contained shall be construed as incurring any liability on behalf of the United States.

"H. A. RISLEY,

"*Sup. Spec. Agt. Tr. Dept., authorized to purchase products, &c., &c.*

"In addition to Fernandina and Pensacola, Florida: as the places of delivery to me or my agents of the four thousand one hundred bales of cotton, sold to me, as government agent, by the said Thomas Durant, I hereby agree to receive the same, or any part thereof, at Savannah, Brunswick, or Darien, in the State of Georgia, for the purposes and subject to the conditions set forth in said contract; this stipulation, however, is subject to all military regulations, and only to take effect when said ports or places are declared open by the government of the United States.

"H. A. RISLEY,

"*Superintending Special Agent, &c.*

"JANUARY 10, 1865.

"This memorandum of agreement witnesseth, that whereas I have this day purchased of James W. Jennett three separate lots and parcels of cotton, to wit:

"First. A lot of twelve bales of cotton deposited and stored at or near New Smyrna, or Mosquito inlet, on the coast of Florida.

"Second. A lot of fifty bales of cotton deposited and stored on the beach at or near Indian River inlet, on the coast of Florida.

"Third. A lot of one thousand bales of cotton deposited and stored on the beach at Indian River inlet, near to the fifty bales last above named.

"The two first named quantities, to wit, (62) sixty-two bales of cotton, I purchase from said Jennett as his own individual property, and in addition to other considerations, am to pay over and account to said Jennett for one full half part of the net proceeds of the same when received and sold by me, be the same more or less.

"And the last named lot or parcel, to wit, one thousand bales of cotton, I purchase from said Jennett as the agent for other parties for whom he sells the same, and in addition to other considerations advanced and provided, I agree and bind myself to pay over and account to said Jennett for one full sixth part of the net proceeds of said thousand bales of cotton, when the same is received by me and sold as aforesaid.

"The said cotton being purchased by me under and subject to the existing regulations of Congress, fixing the terms and conditions for the purchase of cotton or other produce, from States in whole or in part in rebellion against the government of the United States.

"In witness whereof, I hereunto affixed my hand and seal, this 18th day of October, A. D. 1864.

THOS. C. DURANT.

"Bill of sale of one thousand and sixty-two (1,062) bales of cotton, more or less, stored at Indian River inlet, and New Smyrna or Mosquito inlet, on the coast of Florida.

"For value received, I hereby assign, sell, set over and deliver to Thomas C. Durant, or order, of the city of New York, the following lots and parcels of cotton, located, stored, and being at the following places on the eastern shore of Florida, to wit:

"First. A lot of twelve bales of cotton deposited and stored at or near New Smyrna or Mosquito inlet, on the coast of East Florida.

"Second. A lot of fifty bales of cotton deposited and stored at the bar of Indian River inlet, on the coast of Florida.

"Third. A lot of one thousand bales of cotton deposited and stored at and adjoining the last named parcel of fifty bales of cotton at the Indian River inlet, on the same coast of Florida.

"I believe said lots and parcels of cotton to be in good condition, as the same was deposited, placed, and stored with great care, and with a special view to its perfect preservation.

"In testimony whereof I have hereunto affixed my hand and seal, this the 18th day of October, A. D. 1864.

J. W. JENNETT.

"Indorsed :

[Memorandum.]

"The within cotton is sold and purchased subject and in obedience to the existing regulations as provided by Congress for the purchase of cotton, &c., from citizens in the States in whole or in part in a state of insurrection.

J. W. JENNETT.

THOMAS C. DURANT."

967. Who are the other parties that he refers to in the memorandum of agreement ?

The residents in the vicinity who have secreted their cotton. The cotton was secreted to prevent its being burned.

968. The agreement also states that, "in addition to other considerations advanced and provided," you are to pay to Mr. Jennett one-half the proceeds of the cotton belonging to him, and one-sixth of that belonging to other parties. What were those "other considerations advanced and provided?"

That I should advance money to pay freight and for furnishing vessels to bring away the cotton, and also obtain a permit for bringing it out.

969. Did these "considerations" embrace any money paid to Jennett?

I paid some \$7,000 or \$8,000, as I stated, and they may draw on me for more. I do not know. I refused to pay any very large sum of money until the cotton was brought out.

970. Were you to have one-half of the entire amount of cotton covered by the agreement?

Yes. Jennett had purchased the cotton in Florida, as I understood, at from 50 to 80 cents a pound in confederate currency, and as I purchased it of him he would realize from 20 to 30 cents in greenbacks, according to his idea. I could not tell exactly what his arrangement was, but I know, in conversation, it was understood I was to have one-half the entire amount, and Mr. Jennett or the owners were to have in greenbacks the equivalent they asked for their cotton in confederate money.

971. What has been done in relation to that cotton ?

Nothing but to obtain the permits.

972. Who obtained the permits ?

I sent to Mr. Fessenden for them.

973. Were these permits granted ?

Yes, sir.

974. To whom ?

To me.

975. Upon what ground was the application based ?

It was based upon a letter I wrote to the Secretary of the Treasury, the draught of which I have here and present to the committee :

“DEAR SIR : I have purchased and am now the proper owner of one thousand and sixty-two bales of cotton, deposited and stored away on the Indian River inlet, on the east coast of Florida, as you will see by the enclosed bill of sale ; also one hundred bales, near Tampa, on the west coast of Florida.

“This cotton was bargained for before the last act of Congress was passed by the party from whom I purchased. I therefore state my purchase in such way as to make it conform to that act—reserving to the United States 25 per cent. of its net proceeds, after a full compliance with all the revenue regulations

“I respectfully request a permit, general or special, to bring away the cotton from where it is stored, it being now inside of the federal military or naval jurisdiction, and will be pleased to have leave to ship it direct to New York for sale, subject to government control, or, if preferred, to deliver to the government agent for Florida, wherever located.

“I have also bargained for some more cotton situated in the same vicinity, which I should be pleased to have leave to bring out and dispose of in the same way.

“As the cotton must, of course, be more or less subject to damage or destruction, and hence total loss, as at present situated, I hope the matter may receive your earliest convenient attention.

“Respectfully, your obedient servant,

“HON. W. P. FESSENDEN, *Secretary of the Treasury.*”

976. There is no date or signature to this letter. Can you state when it was dated, and by whom signed ?

It was signed by myself, and dated in the fore part of November.

977. Was the application made to Mr. Fessenden or to the cotton agent ?

It was taken to Mr. Fessenden directly by Mr. Stewart.

978. What Mr. Stewart ?

J. B. Stewart. I met him in Washington. He said he knew Mr. Fessenden. He knew of this permit being under consideration, and he took the paper and handed it to Mr. Fessenden, who told him the cotton matter was under consideration, and that this application would be referred with other matters.

979. What was done next ?

The contract was made and signed, and the permit secured. A copy of the contract was filed in the department, with the papers accompanying the application.

980. And upon this application to the Secretary of the Treasury, a copy of which you have handed the committee, you received a certificate from Mr. Risley, and an order from the President ?

I did, and I now submit them to the committee :

“NOVEMBER 30, 1864.

“I, Hanson A. Risley, agent for the purchase of products of insurrectionary States, on behalf of the government of the United States at Norfolk, Virginia, do hereby certify that I have agreed to purchase from Thos. C. Durant, of New York, eleven hundred bales of cotton, situated at or near Indian River inlet, east coast of Florida ; also, three thousand bales of cotton, situated on the tributaries of Indian river, east coast of Florida, which products, it is represented, are or will be at or within the national military lines in the State of Florida, on or before the first day of July, 1865, and which he stipulates shall be delivered to me, unless he is prevented from so doing by the authority of the United States.

“I therefore request safe conduct for the said Thomas C. Durant, his agents, and his means for transportation, and said products from the vicinity of Indian River inlet, on the east coast of Florida, within the lines of military occupation by United States forces, to Key West or Pensacola, in said State, (*without violation of the blockade,*) where the products so transported are to be sold and delivered to me under the stipulation referred to above, and pursuant to regulations prescribed by the Secretary of the Treasury.

“H. A. RISLEY,

“*Sup. Spec. Agent Treasury Department, authorized to purchase products, &c., &c.*”

"EXECUTIVE MANSION, November 30, 1864.

"An authorized agent of the Treasury Department having, with the approval of the Secretary of the Treasury, contracted for the cotton above mentioned, and the party having agreed to sell and deliver the same to such agent,

"*It is ordered*, That cotton moving in compliance with and for fulfilment of said contract, and being transported to said agent or under his direction, shall be free from seizure or detention by any officer of the government; and commandants of military departments, districts, posts, and detachments, naval stations, gunboats, flotillas, and fleets will observe this order and give the said Thos. C. Durant, his agents and transports, free and unobstructed passage for the purpose of getting said cotton or any part thereof through the lines, other than blockaded lines, and safe conduct within our lines while the same is moving in compliance with regulations of the Secretary of the Treasury, and for fulfilment of said contract with the purchasing agent of the government.

"ABRAHAM LINCOLN."

981. You have exhibited a contract with Mr. Jennett for 1,062 bales of cotton. This contract calls for not only that, but 3,000 bales of cotton situated on the Indian river and its tributaries on the east coast of Florida; how do you explain that?

Mr. Jennett proposed to deliver 3,000 bales of cotton, provided the rebel troops were away, as he supposed they were, so that the parties could get out the cotton. He knew where 3,000 bales were, which parties had authorized him to sell, and the permit was therefore made to cover that. There were also 1,500 bales of cotton which I had bought from some other parties in New York.

982. You have in this certificate covered 3,000 more bales than the contract with Mr. Jennett and the parties there referred to represented?

Mr. Jennett represented these 3,000 bales.

983. Why was not that so stated in the contract?

We have another contract for cotton, which has gone down there, but I can get a copy of it if the committee desire it. Mr. Myers and Mr. Jennett agree to deliver 1,500 bales, provided the rebel authorities did not get track of it and burn it.

By Mr. Eliot:

984. Was that 1,500 bales a part of the 3,000?

It was all included in the same permit. It was cotton they owned; a portion of it they raised on their own plantations.

985. Did you make any certificate describing the situation of these 3,000 bales more specifically than you have done in this statement?

Oh, no; that is the statement.

986. What are words erased in that memorandum of agreement over which this has been written, "or within national military lines?"

When the permit was first given it was sent to New York. There was a question with the Secretary of the Treasury, as I understood, whether the permit ought not to specify "within blockaded lines," to make it more specific. The words originally written were, "without violation of the blockade," or something of like import. They thought that was not strict enough, and therefore sent for the contract back again, when this change was made.

Who requested that alteration?

Mr. Risley.

987. And he made the alteration?

I do not know; I did not give it to Mr. Risley; I sent it to the department by Stewart. The question came up in this way: Mr. Seward took the ground, as I understand, that Indian River inlet and Tampa Bay had not been relieved from the blockade and were not open ports, and therefore the change was made to prevent the paper from being construed into a permission to interfere with the blockade.

988. And that was all the reason why your certificate was returned?

I suppose so.

989. You have spoken of another cotton transaction; what was that?

These New York parties, Mr. Myers and some one else—I forget who—proposed to sell 1,500 bales, the contract for which will explain the whole matter, and which I will send for and deliver to the committee.

990. Did you get another certificate?

Oh, no; it goes as a part of the 3,000 bales.

991. Have you had any other certificate?

No.

992. Have you made any application for another?

No; I did make an informal one before I received this. I asked the department what their rules were, and they told me their object was to get out cotton; that they wanted to afford every facility for getting it out; that it was immaterial whether it was purchased of loyal men or rebels.

993. Who told you that?

I was told it at the Treasury department.

994. By what person?

It was in Mr. Risley's room; they spoke of it as the policy of Mr. Fessenden. I was talking of purchasing cotton, and asked how I would know whether the men were loyal or not. They said it didn't make any difference; that the object of the government was to get out cotton. I spoke of purchasing cotton from a man in New York, and said that I did not know whether he was a loyal man or not. They said it made no difference; the object of the department was to get out cotton.

995. Who said that?

I think it was Mr. Risley. Everything I have heard said at the department has been predicated upon the law of Congress, the discussion being upon the construction of that law.

996. In regard to this first permit for Mr. Jennett, did you employ any counsel to aid you to get it?

Mr. Stewart took the papers to Mr. Fessenden.

997. As counsel?

Mr. Stewart brought Jennett to me.

998. Was Stewart interested in any way?

I suppose so.

999. Do you know whether Mr. Stewart is interested in that transaction in any way or not? He has half that is made, so far as I am concerned; I do not know what he has from Mr. Jennett.

1000. Was any charge made to the concern for his influence in getting the permit?

No, he had a chance to buy cotton; he had not any money or did not want to invest it in that way, and he proposed that I should take an interest and invest the money.

1001. Then Mr. Stewart aided you in this matter from the influence he had jointly with you in the transaction?

I do not know about that; I do not know, personally, that he ever saw Mr. Fessenden except to take the letter in. He charged me nothing.

1002. There was no understanding expressed or implied that he was to have anything extra for his services?

Oh, no; he never mentioned such a thing.

1003. What was the object of letting him in if he paid no money?

Mr. Stewart brought Mr. Jennett to me in the first place, and said to me that if I was disposed to take one-half and furnish the money I could do so.

1004. Be good enough to state, as far as you can recollect, the names and residences of the parties interested with you in this transaction, or in any other transaction you have had connected with trade in the rebel States.

This Myers and party are the only ones.

1005. Where does he live?

He lived in New York; I do not know whether he is there now or not. I believe he resides there.

1006. Did you know anything about him before this transaction?

No.

1007. Do you know whether he is a man of any means?

I understood he was a man of means; he has proposed to furnish money.

1008. Can you name any other parties?

Mr. Stewart suggested that we should take a Mr. Barringer under our permit.

1009. Then I understand you to say that the only parties with whom you have been interested in any way with the subject of trade in the rebel States are Jennett, Myers, Barringer and Stewart?

There was a permit to D. R. Martin for cotton stored in a swamp about eight miles from Fort Tampa, with which 100 bales of my cotton was secreted. I am interested with Mr. Martin in his permit to that extent, and that is all that I can claim by any written agreement, though there was a talk that I should have an interest in Martin's lot of cotton, but I do not know that anything has been done under it.

1010. Is Mr. Stewart interested in Martin's permit?

Stewart, as I understand, purchased a lot of cotton, and then, in order to get it out, had it included in a permit to Martin.

1011. Martin has different permits, has he not?

He had a permit for a lot stored near Tampa Bay. The only cotton I have is that which I have stated. I have had correspondence with a number of persons, but I have never applied for any other permit.

1012. You spoke of having a vessel sent down there; do you recollect her name?

I do not.

1013. What was she loaded with?

She was merely loaded for ballast, with some salt mackerel and flour, I believe, which were consigned on order to the collector of the port at Fernandina.

1014. Was the vessel large or small?

There were two, I think, about 150 tons each. The two together would bring about 250 or 300 bales of cotton.

1015. Were these vessels loaded with any pork?

No; I think with nothing but salt mackerel and flour.

1016. Who had charge of the vessels?

I do not recollect the names; I will send you copies of the bills of lading, invoices, and everything.

1017. Have you had any contracts in regard to cotton with any parties other than those you have spoken of, or in regard to getting cotton out and sending other things in to pay for it?

I have had a correspondence about that.

1018. With whom?

Beverley Tucker.

1019. Who is Beverley Tucker?

He was represented as a man who had or could get permits on the other side to bring out cotton. I never found that he had a permit, or that he could get one. I think it was a speculation on his part that he wanted to go into.

1020. Do you not know that Beverley Tucker is an agent of the rebel government in Canada?

I do not.

1021. Have you ever understood so?

I understood that he was in Canada; I did not understand that he was such an agent.

1022. State the character of your correspondence with him.

I wrote him that I understood there had been permits granted on the other side to bring out cotton; that I understood he had influence there, and I proposed to him if there were permits granted on the other side, that one should be obtained to get out five or ten thousand bales. He sent in return that he did not believe any permits had ever been granted by the rebels on the terms I supposed; that there were permits granted by the rebel government to bring out cotton, provided they would return provisions pound for pound; that they were afraid to give permits otherwise unless they could make a show of bringing back something. He was informed that they could not make any such arrangements under these permits, because our laws provided that no articles could be taken in until cotton had been brought out. He said then that nothing could be done; he would like, if he could, to obtain a permit from the rebel government, for he wanted to get his family away. My proposition was sent open by Colonel Baker, chief of military detectives, for it. I supposed that some object was designed on his part, and a copy was therefore sent to the War Department at the time.

1023. Where is the proposition which was made to Mr. Beverley Tucker?

I can get a copy of it; it was in the hands of a third party.

1024. Who is that third party?

Mr. Latham brought it. The proposition came from Mr. Haskell, stating that he or his friend had authority from the President to do certain things. Since that was done, I wrote a note to Major General Dix, in command of the department at New York, stating that certain propositions had been made, with the representation that authority had been given by the President or War Department to make such a proposition. If the statement was correct, I did not do wrong in sending the communication; if not, by sending a copy of it to the War Department, it could be exposed.

1025. Where is the original correspondence you had with Tucker?

I kept no copies; it came back merely with an indorsement of his on it. I have given the substance of the correspondence.

1026. Did anybody see the first letter you wrote to Tucker?

Colonel Baker saw it. Baker said that he had authority from the President of the United States to give passes or permits. I did not know whether he had or not, and I therefore wrote to General Dix explaining the whole matter.

1027. Before you entered into this correspondence with Tucker, did you have any permission from the government?

Baker represented that he had.

1028. Did you have any permission to enter into this correspondence with Tucker?

Oh, no.

1029. Have you Tucker's answer?

I have not; Baker may have it. It did not amount to anything. The proposition we made was made under the act of Congress and the regulations of the Treasury Department.

1030. Did you make any contract with Mr. Haskell in regard to this matter which contemplated getting out cotton?

That is the contract the notice of which I sent to the War Department.

1031. Did it contemplate getting out cotton through Tucker and sending back goods to the rebel lines?

Yes; but sending nothing contrahand of war.

1032. Was there anything in it which contemplated any permission from our government in any way?

Yes. I will telegraph for the contract itself to be sent on; it was deposited subject to the joint order of Haskell and myself. It was predicated upon the statement that Mr. Haskell or his friend had authority.

1033. What was done with it?

I do not know; it was sent to the President or War Department. Nothing has been done under it.

OSCAR H. BURBRIDGE called, sworn and examined.

By the chairman :

1034. Give the committee your residence and business.

I reside in Bourbon county, Kentucky. My occupation is that of a farmer, though I have engaged in a good many branches of business.

1035. Have you been engaged in trade with the rebellious States since the breaking out of the rebellion?

Somewhat.

1036. To what extent?

Very limited. I have brought out from States in rebellion about ninety bales of cotton only.

1037. Did you get them out under permit?

Yes, sir.

1038. Who granted the permit?

I obtained it from Mr. Mellen, treasury agent at Cincinnati. I had permission also from Admiral Porter to take a boat up the Yazoo river.

1039. When was this?

It was in May, 1864, that Mr. Mellen gave me the authority; and on the 25th of July General Slocum approved Admiral Porter's permit to go after it.

1040. Did you go after it?

I didn't go myself, but I sent a steamer up to Yazoo City.

1041. Were the rebels in possession of Yazoo City at that time?

Yes, sir.

1042. Did you bring out the cotton?

Yes.

1043. Did you have any difficulty in bringing it out?

No.

1044. What did you take in?

Fifty-seven barrels of whiskey.

1045. By whose authority?

By that of General Slocum. General Slocum's authority to take this vessel and these articles up the river may be found in these papers, which I hand to the committee, with an invoice of the articles authorized to be shipped.

"VICKSBURG, Mississippi, July 27, 1864.

"O. H. BURBRIDGE & Co.,

Bought of GEIGER & Co.:

'Boat and bar stores, steamer Atlantic No. 2:

67 barrels whiskey.

20 cases claret wine.

5 cases Rhine wine.

5 baskets Champagne.

"Approved.

"H. W. SLOCUM,

"Major General Commanding.

"HEADQUARTERS DISTRICT OF VICKSBURG,

"Vicksburg, Mississippi, July 25, 1864.

"Colonel Burbridge is authorized to go up Yazoo river, for the purpose of bringing to market cotton purchased under proper treasury permits.

"The boat will be allowed to take on board boat and bar stores. No other merchandise will be allowed on board.

"H. W. SLOCUM,

"Major General Commanding."

1046. To what point was the cotton brought?

To Vicksburg.

1047. Who was in command at Vicksburg when the cotton came there?

Just about the time the cotton got there General Dana was placed in command; I am not sure whether he had assumed command, or whether General Slocum was still in command. Upon the arrival of the cotton at Vicksburg General Dana had gone up to Helena; on his return I presented the papers, and showed him my authority; he had a conference with General Slocum in regard to the authority. General Dana acknowledged before General Slocum that he (General Slocum) was alone responsible to General Canby for giving the order. General Slocum said to General Dana that he had forgotten the exact amount of whiskey he had given a permit for; if he had been upon oath, he was inclined to think it was not quite as large as sixty-seven barrels, but he said that the order itself stated precisely

what the amount was. A gentleman who was interested with me—Colonel Starling—who had been Crittenden's adjutant general, owned this whiskey, and had had it in Vicksburg for a long time in store, but had not been able to dispose of it; and it was in consequence of Colonel Starling's age and services to the government that General Slocum gave this permit. It was given in my name, but it was for Colonel Starling. I have here the report of the judge advocate who investigated the case, which will explain everything.

“HEADQUARTERS DISTRICT OF VICKSBURG,
“*Vicksburg, Mississippi, September 5, 1864.*”

“SIR: I have the honor to submit the following report relative to the steamers Atlantic No. 2 and Mark R. Cheek, and their late expedition up the Yazoo river. I have endeavored to give the subject the fullest investigation within my power. I submit the sworn statements of Colonel O. H. Burbridge, Colonel Lyne Starling, Captain Thomas W. Grey, master, Hector K. Cowles, and Thomas A. Evitt, relative to the steamer Atlantic No. 2, and the statements of Messrs. Frank W. Reynolds, P. H. Cobb, Captain B. J. B. Weaver, relative to the Cheek, while the statements of Mr. Evitt and Edward C. Ames are relative to both steamers.

“I submit the original bills of goods, approved by Major General Slocum, taken by these steamers, and certified copies of all papers which I deemed pertinent to the case, within my reach.

“I submit the following synopsis of the facts disclosed by the evidence before me:

“On the 27th of July last Major General Slocum, then commanding the district, approved a permit for the shipping by Colonel O. H. Burbridge of sixty-seven barrels whiskey, twenty cases claret wine, five cases Rhine and five baskets Champagne wine, on the steamer Atlantic No. 2; and on the 29th of the same month his adjutant general, in the absence of General Slocum, approved a permit for the shipping of twenty barrels whiskey, twelve cases Catawba wine, 250 dollars' worth of cigars, and the same amount of tobacco, together with 1,500 dollars' worth of boat stores, on the steamer Mark R. Cheek.

“It does not appear that Adjutant General Rodgers had any especial instructions from General Slocum relative to the approval of the last bill. The just inference is that he may have conferred with General Slocum relative to the steamer Atlantic No. 2, and deemed it not improper to approve this bill. Certainly nothing implicates him as interested in the matter, and it appears to have been approved by him in the usual course of business.

“The steamer Atlantic No. 2 left this port the evening of the 28th; the Cheek, the 30th or 31st, freighted with the stores above named. The full amounts approved were not taken by either boat; the Atlantic taking 57 barrels whiskey, 3 barrels brandy, and the wine specified; the Cheek taking 17 barrels whiskey, the wine, and a portion of the cigars and tobacco.

“The steamers proceeded up the Yazoo, lay anchored a few days off Yazoo city, and then proceeded a few miles, two or three, above that city, and discharged their freight, and took on board the cotton; remaining up the river in all about two weeks. The whiskey and brandy, and a portion of the wines, were traded for cotton; the remainder brought back to this port. I am not of the opinion that anything other than the liquors was traded or exchanged for cotton, excepting the money paid in the settlement of the account—perhaps a thousand or fifteen hundred dollars. I cannot but think that the object of the expedition was fully understood by Major General Slocum; that the parties engaged in this enterprise with his full consent and knowledge; and, I think, in the utmost good faith—not supposing they were violating any military or other regulations.

“Colonel Starling appears to have talked with General Slocum upon the subject, on different occasions, fully and frankly, and between them there appear to have existed feelings of mutual esteem and regard. I have no doubt the bill of goods taken on the steamer Atlantic was approved by General Slocum, as a matter of favor to an esteemed friend whom he was desirous of assisting if he could properly do so; while the bill of liquors taken by the Cheek was understood by all parties to be disposed of in the same manner, with the same privileges and restrictions as those taken by the Atlantic.

“The parties interested both in the Atlantic and the Cheek appear to have been scrupulously solicitous not to transcend the privileges granted them, and I am not of the opinion that any of them, in any respect, have done so intentionally, if at all.

“The undeniable facts are these: that the boats left this port at the times above stated, to go up the Yazoo river; that they had the military and civil permits to take these liquors that they took there; that they were traded for cotton—the Atlantic No. 2 bringing out 91 hales and a few sacks, about 95 hales in all; the Cheek 28 hales and one sack, and fourteen bales private cotton, belonging to Mr. Evitt; that the cotton was purchased of a Mr. Coates, resident in that section of Mississippi, who evidently had some understanding with the confederate authorities relative to the sale and delivery of the same, or at least with General Wirt Adams, commanding rebel forces in that section. It is doubtful whether or not any guard was furnished the boats as such, or whether the armed men seen about the boats were not rather watching the movements of the boats. The testimony of the witness Ames would seem to be conclusive on this point, though it contradicts that of every other witness on this point. His statement in regard to other points in the case has but little significance—legally none. It is derived almost wholly from the rumors then current in Yazoo city, and from Judge Montgomery, who resided some miles away from the point where the boats touched, and his information is wholly hearsay.

"The different parties differ somewhat on minor points in their statements; but not more, I apprehend, than would the same number of witnesses in regard to any matter in which there was not the most explicit and positive understanding.

"I have not observed, in any of the parties examined, the slightest desire to cover up, to subvert or withhold, in any respect, any fact within their knowledge connected with the case. I have found them ready, frank, and I believe entirely truthful, in all their statements on points on which they were informed. But a single proposition, so far as these parties are concerned, remains to be discussed, and that is: Have these parties, Colonels Burbridge and Starling, Messrs. Reynolds, Colb, and Evitt, Captains Gray and Weaver, been guilty of wilful violation of any rules of the departments, military orders, articles of war, or acts of Congress relative to intercourse in insurrectionary districts? I am free to say I do not think they have been so guilty. The cotton was purchased under a permit issued by the Treasury Department, under the policy in vogue last winter of issuing permits to purchase in insurrectionary districts; they had the consent of Admiral Porter to take their boats into the Yazoo; the consent and approbation of General Slocum, then commanding the district, to go up the river with the goods taken, and, I must believe from the evidence, his full consent and verbal authority for their disposition as disposed of; and I do not think they exceeded the authority given them.

"But granting that all this is true; would it relieve them from the effect of Articles of War 56 and 57? I apprehend that it does. It certainly relieves them of any criminal *intent*, which alone determines the quality of this transaction. I know no reason why any citizen—the best in the land—may not have engaged in this or a like transaction possessed of the authority which these parties evidently deemed themselves possessed of.

"The high and patriotic character of Colonel Burbridge, his eminent services in Kentucky in behalf of the Union, his family name and associations, will not allow me to think that he has at this hour turned traitor for the small amount involved in this speculation. I cannot think that Colonel Starling would, for a like consideration, barter away the dearly-earned and priceless reputation of three years' service in the field and a life of integrity; nor can I think that Major General Slocum would stain his spotless reputation by granting to these or other parties privileges which he did not deem proper to be granted to them, or wholly within his power to grant. Of these other parties, Messrs. Reynolds, Colb and Evitt, Captains Gray and Weaver, I may say that while I have no acquaintance with them, nor indeed with *any* of the parties until this investigation, I have never heard their honor or integrity called in question. Indeed Captains Gray and Weaver do not appear to have had any pecuniary interest in the matter.

"I do not deem it proper for me to discuss the expediency or propriety of granting such permits and privileges as were granted in this case by Major General Slocum.

"I do not apprehend that he will be suspected by those who know him of having any pecuniary interest in the enterprise; and if the propriety of his action in the matter can justly be questioned or criticised, I feel assured it will not be difficult to extend toward him in this matter that feeling of kindness which he never failed to exhibit to others.

"I may say in conclusion, that when I commenced the investigation of this case, I did so, if not with a prejudice, certainly with a strong bias against these parties. Rumors had been current on the streets relative to the expedition, its object, purposes, privileges and conduct, to the prejudice of the good name of all these men, as well as that of Major General Slocum.

"Viewed in the light of the accompanying testimony, it seems another case entirely.

"I am, very respectfully, your obedient servant,

"GEORGE M. SABIN,

"Lieutenant and Judge Advocate, District.

"Lieut. Col. H. C. RODGERS,
Assistant Adjutant General."

"HEADQUARTERS DISTRICT OF VICKSBURG,

"Vicksburg, Mississippi, September 18, 1864.

"SIR: I have the honor to submit the accompanying statements of Edward Newsham, William H. Skinner, and Captain B. J. B. Weaver, relative to the steamer Mark R. Cheek, taken since submitting my former report upon the subject of the Cheek and Atlantic No. 2, and their expedition up the Yazoo river. It becomes necessary for me to modify and correct my former report to this extent:

"In my former report I expressed the opinion that nothing, except what had been permitted by Major General Slocum, had been taken by either boat up the river, and bartered for cotton.

"By the testimony submitted herewith it does appear that three sacks of coffee were taken, and a portion of it traded for cotton, and a portion for supplies for the boat. It should be remembered that this implicates only the Cheek and those interested in her trip.

"I see no reason to change my opinion expressed in regard to the Atlantic No. 2, and those interested in her trip and cargo.

"I am, very respectfully, your obedient servant,

"GEORGE M. SABIN,

"Lieutenant and Judge Advocate, District

"Lieut. Col. H. C. RODGERS,
Assistant Adjutant General."

General Dana stated that it had been represented to him by his detectives that we had carried up there other articles than whiskey, and that we had carried more whiskey than General Slocum's order authorized. The report of the judge advocate shows that we had not. I was not there myself. It was done by Colonel Starling under my authority. In the mean time I had received the following letter:

EXECUTIVE MANSION, *Washington, August 30, 1864.*

GENERAL CANBY: Messrs. Starling and Burbridge, at Vicksburg, in possession of cotton and boat, have been arrested and property seized. If they have acquired said property under proper permits and legitimately, a change of officers should not deprive them of their rights. Please send an officer to investigate, and if right, discharge them and property.

Yours truly,

A. LINCOLN.

(Duplicate.)

Indorsed:

I consider that Mr. Burbridge has acted in accordance with all the permits granted, and is entitled to his property.

DAVID PORTER, *Rear-Admiral.*

On the receipt of Mr. Lincoln's letter, General Dana turned the cotton over to the treasury agent, and I was released at the same time. The day the cotton was turned over to the Treasury Department and I was released, I returned home and left the matter in charge of my agents down there, and directed the cotton to be sent to New Orleans and sold. My agent wrote me the next day that Kallcott, I think it was, the treasury agent, after examining the judge advocate's report, and the authority I had, said there was no question as to the ownership of the cotton, and released it. He gave it a clearance to New Orleans.

1048. Do you understand that after this was turned over to the Treasury Department General Dana required any bond to be given?

Yes, for \$200,000.

1049. What were the conditions of the bond?

That suit should not be brought against him or against the government.

1050. Was the bond executed?

Yes, the bond was executed by Major Thomas G. Harold.

1051. Where is that bond?

I suppose it is at Vicksburg. The reason why that was required was a remark I made to General Dana asking him who would pay the damages. Cotton had declined in price forty cents a pound, and I had been at considerable expense and inconvenience myself.

1052. Do you know anything further about cotton transactions?

I do not know personally anything further.

FRIDAY, *February 10, 1865.*

Members present:

Senators.

Mr. MORRILL, chairman;
MORGAN,
SPRAGUE,

Representatives.-

Mr. WASHBURNE,
ELIOT,
PERRY.

THOMAS C. DURANT called, and examination continued.

By Mr. Washburne:

1053. At the close of your testimony yesterday, you stated that you would send to New York for a contract, have you that contract?

I have it, and submit it to the committee.

"For and in consideration of the sum of one dollar to us, Leopold Beringer and David Meyer, of the city of New York, in hand paid by Thomas C. Durant, of the same place, the receipt whereof is hereby acknowledged, and for diverse other valuable considerations, we, said Leopold Beringer and David Meyer, do hereby assign, sell, and deliver unto the said Thomas C. Durant one thousand and sixty bales of cotton, which said cotton is now situated in the State of Georgia, but which we agree to deliver to the said Durant, or to his order, at Fernandina or Pensacola, in the State of Florida, or to some other place or places where it can be shipped and transported to the city of New York for sale, unless some other place of shipment and sale shall be hereafter mutually agreed upon, which said cotton is so transferred to said Durant as aforesaid, upon the following trusts, conditions, agreements, and under and standing upon his part, that is to say:

"The said Durant, having agreed to sell to H. A. Risley, as agent for the United States,

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four thousand one hundred bales of cotton, as per agreement dated 13th November, 1864, and holding an order from the President of the United States dated December 8, 1864, specially authorizing the said Durant to receive from within the lines of the Confederate States, and especially of the State of Florida, and to ship therefrom said cotton as aforesaid, said Durant hereby covenants, promises, and agrees with and to said Beringer and Mayer to receive said cotton when so brought within the control of the United States authorities at the place or places aforesaid, and also to furnish means to pay and defray any and all expenses which may accrue after such delivery aforesaid, and also to furnish ready and proper means and vessels for transporting said cotton to New York, as aforesaid, where the said cotton, after having been sold as required by law, and all expenses, government dues, reservations, and taxes being first paid, or allowed, the net proceeds arising from such sale or sales shall be disposed of and divided, as follows, viz :

“ One half part thereof shall be accounted for and paid over to the said Beringer and Mayer, or their order, on demand, as soon as such proceeds are realized and received by said Durant, and the other half part thereof shall be held and retained by the said Durant, or his assigns.

“ It is hereby mutually agreed that if the said Beringer and Mayer, or either of them, shall be able to collect and deliver, as aforesaid, any other cotton in addition to the thousand and sixty bales above-mentioned, the same shall, after the payment of all costs and expenses, including the purchase thereof, be received, paid for, shipped and disposed of upon the same terms and conditions, and in the same shares and proportions as are herein contained in relation to said 1,060 bales.

“ It is further understood and agreed that said Beringer and Mayer shall only use their best exertions to deliver said cotton, or any cotton included in this agreement, and shall not deliver said cotton, or any part thereof, to any other person or persons than the said Durant or his assigns, but they shall not be in any way accountable for causes which they cannot control, on account of government or military interference.

“ It is hereby mutually agreed that all charges, expenses, and taxes now resting on the cotton, or incurred in the removal of the same to the place or places of shipment, shall be borne and paid equally between and by the parties hereto, and further, that the said agent, H. A. Risley, or any other government agent or person who shall have said money, is hereby authorized and empowered to pay to said Beringer and Mayer the amount to which they are entitled to under this agreement, on demand : and further, that all goods employed by either party for the purpose of buying cotton shall be charged at cost prices in New York, with expenses attached, and all profits on said goods shall be divided equally between the parties hereto.

“ The said Durant hereby further covenants with said Beringer and Mayer that he shall not, and will not sell said cotton, or any part thereof, except as aforesaid, or assign or dispose of his interest, under this agreement, to any person or persons whomsoever, without the consent in writing of said Beringer and Mayer first had and obtained ; and in case of his violating said last-mentioned covenant, he will forfeit and pay, as liquidated damages for such violation, to said Beringer and Mayer, the sum of fifty thousand dollars.

“ It is hereby lastly agreed that in case the one thousand and sixty bales of cotton be destroyed or removed, so that the same cannot be obtained by said Durant, then all liability to deliver said cotton on the part of said Beringer and Mayer shall cease, but in all other respects this agreement shall remain in full force and effect.

“ D. MAYER.

“ L. BERINGER.”

1054. The contract you have handed to the committee is one between yourself, Beringer & Mayer, in relation to cotton you spoke of yesterday. Have you also the contract referred to yesterday with Beverley Tucker ?

I had no contract with Beverley Tucker. If you want to know what I have proposed to do, I can give it to you. I am now trying to make a contract with Beverley Tucker. If I stated yesterday that I had made a contract with Beverley Tucker, I desire to correct my testimony—that was not perfected. The only contract I had in reference to the matter was with Mr. Haskell.

1054. What was this contract with Mr. Haskell ?

It is predicated upon getting out cotton with Beverley Tucker ; but the contract itself was with Mr. Haskell. That is the only contract I have, and that is not binding now, and is not definitely a contract until signed by him. It is an agreement upon my part. Here is the agreement :

“ For and in consideration of one dollar to me in hand paid by Leonidas Haskell, the receipt of which is hereby acknowledged, and for other valuable considerations and services to be rendered, I hereby agree to pay over to the said Haskell one-tenth part of all the profits which may be made out of the proposition of Beverley Tucker to contract for 10,000

bales of cotton, in payment of which he is to receive a certain amount of pork, as well as in any additional bales of cotton, to which the proposed contract with the said Tucker may be extended, and taken out of the confederate lines under the regulations of the Treasury Department, or upon any purchase of cotton by exchanging merchandise in accordance with said provisions or regulations through said Tucker.

"I also agree to pay said Haskell fifteen hundred dollars on demand for expenses. A true and accurate account of said business shall be kept, subject to examination of said Haskell after the cotton is sold and accounts made up, which shall be done within four months; and if nothing can be accomplished within sixty days, the contract is void.

"THOMAS G. DURANT.

"October 10, 1864.

"Witness: R. W. LATHAM."

Indorsement in red ink across the face of the paper.

"This contract is predicated upon the statement that Major Haskell or his friend, Colonel Baker, has the sanction and authority of the President of the United States for carrying out the same.

"THOMAS C. DURANT.

"Witness: R. W. LATHAM."

Indorsement on envelope.

"R. W. Latham, esq., will deliver the enclosed paper to L. Haskell, upon the joint order of T. C. Durant and L. Haskell."

1055. I see something written across the face of this contract in red ink, when was that written?

It was written when the agreement was perfected. The paper was presented to me to sign, and as presented I refused to sign it. I did not like the reading of it, and had another one drawn. Mr. Latham drew it and I added that clause to it. They wanted the words "or otherwise" inserted.

1056. Were those words inserted?

No, sir.

1057. Why did they desire the words "or otherwise" inserted?

For the purpose of taking one-sixth interest in all the cotton I might have anywhere.

1059. Did a disagreement then arise between you and Haskell?

No; no disagreement. That is the contract I signed. The other contract had the words "or otherwise" in it, and that one I refused to sign.

1060. Was this matter in red ink written when the contract was perfected?

The contract was not, properly speaking, perfected. This must have been three or four months ago.

1061. Was it written on the 10th of October, 1864.

It was written before it went into the hands of any third party.

1062. Into whose hands did it go?

It was delivered to Mr. Latham.

1063. Do you say that this in red ink was put on at the time you made the agreement with Mr. Haskell?

I did not see Mr. Haskell at all. I put it on in Mr. Latham's presence, and Mr. Latham witnessed it.

1064. Who was Mr. Latham acting for?

He came from Mr. Haskell with that proposition.

1065. This paper was made and given to Mr. Haskell, was it not?

It was not given to Mr. Haskell.

1066. And this is the duplicate?

No; this is the original.

1067. Did Mr. Haskell have a copy of this, or a duplicate of it?

He had a duplicate of the one he proposed I should sign.

1068. Did he not have a duplicate of the other?

Not that I know of.

1069. Did the duplicate, or the one which Mr. Haskell had, have this indorsement in red ink?

I never saw the duplicate.

1070. Did Mr. Haskell know of this indorsement in red ink?

I do not know anything about that. I did not know that he ever had anything but the original proposition.

1071. Do you state that this indorsement in red ink was made on the same day on which the contract purports to have been executed—on the 10th of October, 1864?

I do not know that I could tell the date within a month. I know that it was not this month or last month. I signed it with the understanding that that was to be added to any new contract.

1072. Who was this understanding made with?

The party who negotiated the contract, Mr. Latham.

1073. And then you put this in red ink on?

I told Mr. Latham distinctly that this was to be added. I desired to know whether these parties had the authority they pretended to have or not. I did not propose to submit to any black mail or anything of that kind.

1074. And I understand that you wrote it on at the same time you signed the paper?

I suppose it must have been about that date; I do not recollect. I said that I must be satisfied what these parties could do. I did not propose to sign the contract in blind.

1075. In this agreement with Haskell, you stipulate to pay him fifteen hundred dollars when called upon?

Yes, but that contract was never carried out.

1076. You say that you are to pay the money to him on demand, for expenses. Was this fifteen hundred dollars ever paid to Haskell?

No.

1077. Did he ever make any claim for it?

Not that I know of.

1078. You have spoken about an attempt at black mail. What do you mean by that?

He sent a message to me that, unless certain things were done, he would bring me to terms in some way.

1079. What did you understand by that?

That he could delay the carrying out of any transaction I might have in cotton and would do so if the word "otherwise" was not inserted in the contract. A message came to me since I was summoned to appear before this committee, to know how much I would pay down—how much I would give to be relieved from going before this committee.

1080. Did Mr. Haskell make that proposition?

The proposition came to me from Mr. Haskell, as I was informed.

1081. From whom did the proposition come directly?

From Mr. Latham, the same party who had the contract.

1082. Is Mr. Latham in the city?

I understand not. He was yesterday. I met him then. I had not seen him before for three weeks.

1083. What do you suppose the object of Mr. Haskell to have been in making that proposition?

To make some money.

1084. If he wanted to make money, why did he not demand this fifteen hundred dollars of you?

Nothing had been done under it. He demanded that I should purchase for \$150,000 his interest in a claim of Frémont against the Kansas Pacific Railroad. I paid no attention to his demand, and sent no answer whatever.

1085. You stated in your testimony something in relation to a letter which you wrote to Beverley Tucker. Have you been able to get a copy of that first letter?

No; that first letter, containing the proposition, was sent by Colonel Baker, chief of military detectives—under that proposition I have submitted to you. I am now making that negotiation on my own responsibility, and hope to perfect a contract under that proposition. I am now in correspondence with Tucker.

1086. How recently have you had correspondence with him?

I commenced to write a letter to him yesterday. I have not heard from him before for two weeks.

1087. Have you kept copies of letters which have passed between you?

No; they have generally been not more than three or four lines to know if he has authority yet to contract for and deliver cotton.

1088. In what manner was the correspondence carried on?

I sent this proposition by Col. Baker.

1089. How subsequently?

Col. Baker has been sent up twice I believe.

1090. How was the correspondence carried on except through Col. Baker?

I have written by mail.

1091. And received letters by mail?

Yes.

1092. Where are those letters?

I will send to New York for them, though I presume they went into the waste basket. They never amounted to anything. I did not consider them of enough importance to keep them.

1093. How many letters did you get from him?

I do not know. As a general thing they have not been signed by anybody nor addressed to anybody.

1094. What was the object of that? How came they in your possession if they were not addressed to anybody?

I mean on the face of the letter. There has been nothing concealed on my part. Everything that I have done has been with the knowledge of the War Department. And I propose to continue this correspondence, and to complete this contract unless it is decided by some authority that it is disloyal or improper to do so.

1095. In your testimony of yesterday you spoke of a proposed contract with Tucker to get out cotton, and to send back articles not contraband of war; will you state more fully in reference to that contract?

I had a contract drawn up, but it has never been carried out. If the agreement could have been carried out, that with some modifications would have been the form—all of which would have been submitted to the War Department for its approval before being executed. The draught of a contract to which I refer I now hand to the committee.

"This agreement, made this _____ day of _____, 1865, between _____, now of the city of _____, party of the first part, and _____ Thomas, _____, of the _____, of the second part, witnesseth: That for and in consideration of one dollar in hand paid to said party of the first part, by said party of the second part, the receipt whereof is hereby acknowledged, and for the further consideration hereinafter named, the said party of the first part agrees to sell, and does by these presents bargain and sell, unto the said party of the second part, ten thousand bales of cotton, now located and stored at the several points outside the federal lines in the States of Georgia, Florida, and Alabama, and which said cotton said party of the first part agrees to deliver as follows: Five thousand bales to be delivered at Pensacola or Fernandina, Florida, and five thousand bales at Beaufort, South Carolina, or a point to be agreed upon near those places, or in the vicinity thereof, to be delivered on or before the first day of April, 1865; said party of the second part agrees to purchase and receive the said cotton under and subject to the regulations of the Treasury Department.

"For the payment of said cotton, the said party of the second part is to deliver to the said party of the first part, at the above-named places, with proper and safe conduct through the federal military lines, merchandise and provisions not contraband of war, as by regulations of the constituted authorities and the Treasury Department, of such kind and at such prices as may be agreed upon from time to time by the parties hereto; it being understood at this time, that the said party of the first part names, on pork and bacon, averaging, as near as may be, the 'hog round,' or prime mess pork, in good condition, in barrels or hogsheads, the rate of exchange to be a pound of meat for a pound of cotton—the cotton to average good middling."

I also lay before the committee a copy of a letter to General Dix, to which I referred yesterday:

"NEW YORK, December 5, 1864.

"DEAR SIR: The enclosed propositions having been made me by parties who claim to be acting with the knowledge and consent of the President of the United States, to one of which I have assented, the original paper being in the hands of Mr. Latham, it has occurred to me since my conversation with you a few days since relative to Colonel Baker, who, I understand, expects to be made a brigadier general, that perhaps he may not have the authority and sanction of the President, or of the department, to conduct Mr. Tucker to Richmond, as is represented; I have not seen it, and have not urged his showing it to me for the reason that it might have been given for some purpose connected with State affairs, which it was not proper for a private citizen to know, and that the cotton speculation was only a secondary consideration; and I could hardly credit a man in his position would represent, or allow his friends to, a matter of this kind. A question you asked relative to the man, calls my attention to the fact that I have no positive proof that he has the sanction of the government, and I communicate the facts to you, thinking that if the representations are correct it can do no harm, whereas if they are not, the parties should be exposed, or placed where they cannot misrepresent or betray the government they serve.

"Very respectfully, yours,

"T. C. DURANT.

"Major General JOHN A. DIX,

"Commanding Department of the East, New York."

1096. I see that in this contract with Mr. Haskell, a certain amount of pork was to be sent in, in return.

No, the contract does not specify that pork was to be taken in; the reference is to a proposition of Beverley Tucker to take in pork—a proposition that no one proposes to execute. What we proposed was to take articles not contraband of war.

1097. Was not the contract with Mr. Haskell founded upon that proposition?

It was founded upon anything that might grow out of that proposition.

1098. Was not the taking in of pork contemplated under that contract?

No, sir.

1099. Then why was it put in?

They put it in to designate the proposition of Tucker.

1100. Where is this proposition of Tucker's?

It was only verbal; claimed by twenty parties.

1101. How did the particular proposition come to you?

I think at least twenty parties asked me about it; Haskell and others asked me if anything could be done; I invariably replied that I would advance the money if they could get the authority of the government to do it. They professed to have the authority of the government or the influence to procure the same, but they went on about sixty days before they were ready to do anything.

1102. This delay, then, was for the purpose of getting the transaction authorized here?

I suppose so; they were telegraphed and written to, I know, about it. As soon as anything was likely to be done, in any shape or manner, I wrote to the War Department, as that letter to General Dix will show. I presume you will find a copy of it through the War Department.

1103. This letter to General Dix implies a conversation with him before writing it; on what subject was that conversation?

I asked him if he knew Colonel Baker; he said, "Not much." I asked him if he was a reliable man; he said he did not know. I met him subsequently, and asked him whether, if Colonel Baker assured me he had certain authority from the President of the United States, I could place implicit confidence in his statements without proof; he said he thought I had better have the proof, although he presumed a man in his position would not profess to have authority he did not possess.

1104. Do you know whether Colonel Baker had any authority from the War Department?

I only had his word for it.

1105. Did he show the authority?

No; that is the reason why I wrote the letter to General Dix. He promised to show me his authority, although I never asked him for it.

1106. Do I understand you, that you were making this negotiation, which involved a contract with a rebel agent in Canada, upon the say so of a party that he was in possession of authority so to do?

According to my understanding of the law and regulations of the treasury and military departments, I had the right to enter into negotiation with any rebel to purchase cotton, no matter where he was. I understand that I have that right now, and until it is questioned I expect to act upon it.

1107. Then you place it upon grounds entirely independent of Colonel Baker?

So far as taking articles into the rebel territory was concerned, I should not do it, of course, without the proper military authority, but I was informed at the department that they were desirous to facilitate getting out cotton, and that they should not inquire whether it was bought of rebels or not. They did not expect to get cotton to any great extent except from inside the rebel lines, and it made no difference how great a rebel the man was from whom it was obtained.

1108. Was the sanction of the civil or military authorities of the United States given, directly or indirectly, to this contemplated transaction with Beverley Tucker?

I did not think it was necessary to ask the military authorities to sanction a contract made under the laws, and specifying that it was under the laws and subject to military regulations. Baker, however, as I have said, told me he had the authority of the President. As he was an officer of the government I did not think it right to demand to see his papers.

1109. In this letter you wrote to General Dix, you say, "a question you ask relative to the man calls my attention to the fact that I have no positive proof that he has the sanction of the government;" what question was that?

He asked me if I knew anything of his antecedents.

1110. Did you understand that to imply doubt in reference to him?

He did not express any doubt.

By Mr. Eliot:

1111. Was the question you asked General Dix in reference to the character and responsibility of Colonel Baker subsequent to his asking you about his antecedents?

I met him and asked him whether if Colonel Baker made representations to me that he had authority from the government I could rely implicitly upon his assertions. He then

asked me if I knew anything about the man's precedents. He asked me how long I had been acquainted with him. I told him I had never seen him until he came there with that proposition. He asked me if any of my friends knew him. I told him I had never heard of him except as I had seen his name in the papers. I left the matter until I had the assurance that Colonel Baker was bringing the thing to a focus.

1112. When "the thing got to a focus" what was done?

Nothing.

1113. You speak in this letter to General Dix about conducting Tucker to Richmond, what is meant by that?

I enclosed with the letter this same proposition that came from Haskell to the War Department.

By Mr. Washburne:

1114. Did these propositions and arrangements include taking Beverley Tucker through to Richmond?

They represented to me that Tucker could get to Richmond if he could procure a permit to take some cotton through. They wanted a permit to get him through. I said "very well, get your permit and I will talk with him."

1115. Who made the application for a permit?

Baker claims he had a permit.

1116. Did he have it?

He says he has it, that is all I know. He is an officer of the United States government, and I could not question his authority. As soon as there was any likelihood of accomplishing anything he proposed to bring him to New York. I suppose that Baker is under the impression now that Tucker will come with him to New York. I do not believe now he had any authority from the President at all.

1117. In what position or capacity did you suppose Baker was acting?

I suppose he was acting from a desire to make money.

1118. Did it occur to you that he might be acting as a detective to see how far this thing could be carried on?

I think his object was to make money, but it didn't make any difference to me in which capacity he was acting.

By Mr. Eliot:

1119. Have you received any reply from General Dix?

No; I sent the papers to him, and I think he sent them to Washington.

1120. You refer in your letter to a conversation you had recently. In that conversation, did you state the substance of the proposition you had from Tucker?

No; I never stated the substance of that proposition.

1121. Did he know, before he received this letter, in reference to any proposition of that sort?

No. I think not; I think I asked him whether, if a person had a permit from the War Department and the President, there would be any trouble as far as the State Department was concerned. He said he thought the War Department had control of that matter. I did not name Tucker to him. I did name Colonel Baker.

1122. Was that before this letter was written?

Yes; I have never exchanged a word with him upon this subject since the letter was written. You will find in the subsequent part of that letter that I ask General Dix if he thinks I can place implicit confidence in Colonel Baker.

1123. How many times did you see General Dix before you wrote this letter?

Only twice.

By Mr. Washburne:

1124. You state that this paper which you hand to the committee is a rough draft of the contract that would have been entered into provided this thing had been carried out?

That clause written across in red ink is in all my contracts before I agree to them. I state explicitly that it is to be in accordance with the regulations of the constituted authorities, civil or military. Whatever articles of merchandise were to be exchanged for cotton were, of course, to be in accordance with those regulations—in case the War Department should allow pork to be taken then the price was to be pound for pound for cotton. That is all this contract amounts to so far as that is concerned.

1125. Was that understanding put in writing?

This draft which the committee has is all which has been put in writing.

1126. With whom was the contract to have been made?

With Beverley Tucker, provided there was no objection on the part of the constituted authorities here.

1127. What merchandise did you contemplate carrying in not contraband of war?

The regulations of the Treasury and War Departments do not define what shall be considered as contraband of war, that is left to the general in command; so they informed me at the department. I applied for a list of contraband articles but they could not give me such a list, because the circumstances in particular localities would vary the list to some extent.

1128. Had you any doubt that pork was contraband?

I do not know; they let in pork in some places, in others they do not. The government plantations are allowed to have it. This contract or proposition, however, did not contemplate taking in any pork, it merely provides, referring to Tucker's proposition, that if pork was allowed to go through it should be exchanged pound for pound.

By Mr. Washburne:

1129. You are speaking then of contracts you are entering into now?

That is a contract I am negotiating for now.

1130. Have you ever asked the permission of the War Department to enter into this contract?

I have the permission of the Treasury Department.

1131. Permission to enter into this contract with Tucker?

Their reply was that it made no difference whether the man was loyal or a rebel, that their object was to facilitate the getting out cotton.

1132. What officer in the Treasury Department told you that?

Mr. Risley. He said at the same time that it was carrying out the law of Congress.

1133. Did you state to anybody in the Treasury Department that you expected to make this contract with Beverley Tucker?

I do not recollect that I did.

By Mr. Eliot:

1134. Have you any reason to think that they knew it then?

They must have known it, as application was made for permission to get him through the lines to see if he could not get out cotton.

1135. Who applied for permission for Tucker to go through the lines?

I do not know. I heard here that different parties had.

1136. What parties are concerned in any way in this arrangement with Beverley Tucker?

None, so far as I am concerned, at present with me. Many parties have spoken to me about it. Parties have been brought to me, who have proposed that I should go into the transaction.

1137. Has any body talked with you here about what has been going on between you and Beverley Tucker?

I do not know. If any body had, I should have told them. Nobody was concerned in the transaction I have mentioned, but the parties I have named. The proposition came to me in the first place. I suppose they found in some way that I had permits to bring out cotton, and they proposed that I should make contracts interesting them in transactions through Beverley Tucker.

1138. Do you remember who first talked with you about them?

The first party, I think, was Mr. Haskell or his messenger. It has been talked of for a long time. The question has been asked, if Beverley Tucker can go to Richmond and get a permit to get out his cotton, will you advance money to buy it. My reply has been at once, yes, if you have the authority of the Secretary of War. The proposition then came in the shape of the question, how Tucker was to get there. I asked that question, and asked the party if he had seen Tucker. I was informed that that was a matter which did not concern me. That they had papers already from Washington. In these conversations Latham was the messenger of Haskell, Baker and others.

1139. Then in this whole arrangement, it was necessary for the purpose of carrying it out that Tucker should be taken through the rebel lines?

The proposition was to take him through by authority of the Secretary of War, and just as soon as there was any probability of carrying this arrangement into execution, I wrote this letter explaining the whole transaction.

1140. The proposition at any rate was, that being there, some way or other he was to make the arrangement within the rebel lines?

If he brought out cotton in any way we were to receive it in accordance with the regulations of the treasury, under the act of Congress. The contract, as it stands, is not a contract that is pending. If anything grows out of it, then a contract is to be made.

By Mr. Washburne:

1141. This agreement made with Mr. Haskell speaks of ten thousand bales of cotton. Did not it also contemplate or refer to an indefinite amount?

Tucker had no permit as it transpired, except to take out ten thousand bales.

1142. Does not this arrangement with Mr. Haskell contemplate taking out cotton indefinitely, over and above the ten thousand bales?

Certainly, all we could get.

1143. Can you procure and furnish to the committee copies of your letters to Tucker?

I cannot. They amounted to nothing. I do not think they are in existence. They were merely questions, "have you got authority," "will you include merchandise," relative to this transaction. Tucker was coming to New York to make the arrangement. I refused to go to Canada to make it.

1144. Then I understand you have communicated with Tucker several times by letters—some sent by Baker, others by mail. How were those sent by mail addressed, and by what name?

Some of them were addressed to Beverly Tucker, and some of them were enclosed to the hotel.

1145. What hotel?

I think the St. Lawrence hotel

1146. With any direction to Tucker on the outside?

I am not sure that they were. They were directed to the St. Lawrence hotel, Montreal, if there is such a hotel there. I frequently wrote letters, but very seldom addressed them myself. I sent them down to the office for the young man to address them.

1147. What directions were given to the young man?

Some of them, I think, were addressed to the care of or under cover to some man.

1148. Did you address any directly to him through the mail?

I think not. I have no acquaintance with him—have seen him but once. I never entered into any other correspondence with him. I would merely write asking the question, "have you authority," or something like that.

1149. Did you ever get a letter from him signed in his own name?

No. I think I have had them signed B, or B T. I do not recollect whether I did or not. If he could deliver the cotton at any point where we could get it, we would take ten or thirty thousand bales.

By Mr. Eliot :

1150. Did you ever send an agent to communicate with him in person in Canada?

I have sent by Baker.

1151. By any other person?

I have sent by parties going to Canada, to know if he was ready.

1152. The question is, whether any person representing you, as agent, has gone from New York, or anywhere else, to see Mr. Tucker?

I think when Mr. G. F. Train was going out to Chicago once, I asked him to see if Tucker would do something. He came back and said Tucker would not entertain any proposition to let the Yankees have cotton at all under our propositions.

1153. That was the first application you made to Tucker?

Yes. Afterwards some one said that Tucker had a permit for ten thousand bales, and asked me if I did not want an interest in it. I sent to inquire about that.

1154. How long was that before the date of these communications?

It may have been six months since ; it must have been four or five months since I first saw some man from New Jersey, who came into my office—whose name I do not recollect—and stated that some permit had been obtained by Mr. Tucker for getting out cotton if the permission of our government could be obtained

1155. That was some months before the transactions you have spoken of in which you are interested.

Yes ; I think I asked him in reference to operations I had heard were going on in the south very extensively. I did not believe they would let the cotton come out, and I requested Train, if he saw Tucker in Canada, to ask him if that was the case. When he came back he told me that they ridiculed the idea, and did not believe it at all.

1156. Was there any other person besides these ?

I have sent messages two or three times.

1157. Have you sent agents?

I have not sent agents. I have merely asked persons to go and see if they had heard anything. I sent a young man from my office, who has friends he visits in the northern part of the State, and told him to ask if it was true that parties had permits and were getting out 100,000 bales on the river. He said he didn't believe it.

1158. What compensation have you paid or promised to pay to any of these agents?

None ; not a dollar. The only proposition that has been made is in that sent to General Dix or the department of the east, embracing that \$1,500, to Mr. Haskell.

1159. Do you recollect the names of any parties who have gone from New York to treat with Beverly Tucker on this subject?

I named a young man from my office, my clerk.

1160. What is his name?

McCarty. I do not know his first name.

1161. Is he with you now?

Yes.

1162. How long has he been with you?

I think he came last March or April.

1163. Did he bring back written propositions of any kind from Tucker?

He brought back what this memorandum was made from. I said I wished to know if anything could be done what arrangements Tucker proposed.

1164. How many times did McCarty go to see Tucker?

I do not know.

1165. More than once?

He may have gone twice. I am not sure. It has been a matter I paid very little attention to. Whenever a new proposition came up, I would attend to it.

1166. Have you, in your office, the original paper which he brought from Tucker, from which this contract was blocked?

I sent it back because it did not specify the regulations of our authorities of the Treasury Department, and there were mistakes made in drawing it up. "The party in the first part" was written where "the party in the second part" should have been; and things were generally mixed up.

1167. Did you keep a copy of it?

No; the contract was sent back. The copy would have been signed if it had been properly drawn up.

By Mr. Washburne:

1168. Is there any person or persons interested in this matter with you directly or indirectly?

No.

1169. Did the Mr. Train, of whom you have spoken as going to see Tucker, know of the contemplated transaction between you?

He did not know anything about it.

1170. Did you explain to him about it?

Oh, no; I only told him what I had heard, and he said Tucker didn't believe anything about it.

1171. Did not you tell Train pretty much all you knew about it?

I did not know anything about it at the time. I was merely seeking information.

1172. Did Train make any inquiries of you in regard to what was proposed to be done?

No: Train said that Tucker made the remark that, if he could go to Richmond, perhaps he could get as good permits as anybody else could. I think Train applied at the War Department for a permit, and that he came back and said he could not get one. I asked what they thought of it at the War Department. He said they seemed to know of permits floating about as we had heard. Train did not know anything about my arrangements with Tucker. He did not ask me in reference to my own transactions; if he had I should have told him.

By Mr. Eliot:

1173. Have you made contracts with parties depending upon the success of your arrangements with Tucker?

No other at all. This contract, notice of which I sent to the department, is the only contract I have made with anybody.

1174. You have made no personal contract?

No personal contract, either verbal or otherwise.

1175. Have you had conversations with parties for the purpose of providing funds or procuring money in any way?

I proposed to advance the funds myself. The thing is in embryo yet. I have no permit to take out the cotton even.

1176. Is there any fact within your recollection about which we have not asked you, that would throw light on the subject of our inquiry?

Here is the proposition that Latham brought me, purporting to have come from Baker, which I rejected, a copy of which I sent to General Dix—a proposition to take Tucker through the lines for a certain sum of money. It was brought by Latham, the same party who brought the communications from Haskell:

"It is proposed that Colonel L. C. Baker shall personally go to Canada, and R. W. Latham, or T. C. Durant, shall accompany him, and shall accompany B. T. from Canada to New York, and from New York to Virginia, safely beyond the military lines of the United States.

And, also, that Protoes shall go immediately through the lines to Richmond and back, and shall make trips backwards and forwards as he may be required. In consideration of which Durant shall give one sixth interest in the profits of the whole transaction, and an agreement to that effect shall be made, and, also, shall pay the sum of five thousand dollars when he has conclusive evidence that P. is safely through the lines; and out of the one-sixth profits, or prospective profits, whether they shall be realized or not, \$5,000 more shall be paid on the 20th day of December next, and the said Protoes shall have \$200 per month and his expenses paid for ten months, one month in advance, and \$200 expenses advanced. All the agreements to be made with L. Haskell."

Accompanying that I will also exhibit to the committee a letter from Mr. Latham, which I requested him to write. He had been making propositions to me verbally, and I said to him, "I want you to put them in writing, so that I may have the authority of some one to depend on."

NEW YORK, *December 6, 1864.*

DEAR SIR: I visited Washington some weeks since for the purpose of ascertaining whether a permit could be obtained from the President for Mr. Tucker to go to Richmond.

Before it was decided whether such a pass could be obtained or not, I met a gentleman interested in cotton orders, who informed me that he could, through certain officers of the government, have Tucker taken to Richmond with perfect safety and secrecy.

I informed you what the gentleman had stated to me, and you refused positively to have anything whatever to do with sending any one to Richmond, unless by special permit from the President, nor would you have any transaction or business with any party connected with the south without the sanction and authority of the government.

I mentioned this subject to you the second time, and you repudiated the gentleman's proposition, and repeated what you had before stated.

I then saw Colonel Baker, provost marshal of the War Department, in person, and he stated to me that he could get the necessary authority to take Tucker to Richmond, and that if the friends interested in cotton (a number of whom I called his attention to) desired it, he would do so. Colonel Baker then had an interview with you, left for Washington and returned with authority from the President and the War Department, as he informed me to conduct Tucker to a point where he could go to Richmond. Colonel Baker also stated to me that he had mentioned to the President that he intended taking some interest in cotton operations, and the President acquiesced, making no objection.

On Colonel Baker's return from Canada, the first trip, he informed me he did not see Tucker; the second trip he met him at Montreal, and laid before Tucker the President's authority to conduct him through our lines. Tucker stated to Colonel Baker that he had confidence in him, and would go anywhere with him, but that he had not made a satisfactory arrangement with you, and that he could not do so unless you would go to Canada.

Colonel Baker then left Tucker with the understanding that he would send one of his assistants next day at ten o'clock, to conduct him to New York, where he might stay twenty-four hours before leaving for Richmond. Owing to some mistake or misunderstanding the assistant did not call on Tucker at the appointed time, and when Colonel Baker got to Washington he telegraphed his assistant to return immediately to Washington with the papers, which he did, and that they are now in the War Department.

Colonel Baker requested me to say to you that he would be in New York in a few days—would call on you and give you a history of his trip to Montreal.

Your friend,

R. W. LATHAM.

Dr. T. C. DURANT.

P. S. I omitted to state that Colonel Baker requested me, while at the Astor House, to state to you that any arrangement you might make with Major S. Haskell for an interest in cotton operations would be satisfactory to him, and that you might implicitly rely upon his statements to you.

R. W. L.

The only other paper I have here is a statement of the goods sent in two schooners to Feruandina, which the committee asked for yesterday.

Schooner Julius Webb, 300 barrels mackerel, Nos. 1 and 2; 150 sacks salt. On the Julius Webb are stores for yacht Idler, viz: 3 barrels flour; 4 half barrels beef; 1 barrel hams and bacon; 1 firkin butter; 5 cases bourbon; potatoes and onions.

Schooner John Lenthal, 600 barrels mackerel, Nos. 1 and 2; 150 sacks salt; 47 barrels flour.

E. W. BARKER called, sworn, and examined.

By Mr. Washburne:

1177. State your residence and business.

I reside in Baltimore, am a clerk in the Baltimore and Ohio railroad office.

1178. Have you been in any way connected with a contract on the part of Mr. Conatty and Mr. Brummell with the Treasury Department for getting out cotton?

Yes, sir?

1179. What was your connexion with it?

Mr. Conatty and Mr. Brummell had this certificate with the Treasury Department. Mr. Conatty is a friend of mine; he informed me that he was going to New Orleans and he wished some one to look after his interest in this contract. He desired me to act as his attorney. That is the connexion I had with him; I had no connexion with him whatever in getting the certificate. My connexion with it commenced after the certificate was obtained.

1180. What was that connexion; had you any interest?

I had an interest in Mr. Conatty's part of the contract.

1181. What was that interest?

I was to have one-third of his interest.

1182. What was the consideration for which he was to give you one-third of his interest? The consideration was to act as his agent.

1183. What was the trade which was supposed to be carried on?

I must confess that I am not very familiar with the subject; all I know about it is what is contained in that instrument or paper.

1184. Have you taken any steps to carry out this certificate or contract?

There has only one paper been signed by me under the power of attorney he gave me.

1185. Who was it signed by?

I really do not remember the man's name.

1186. Was his name Ringe?

I do not think it was.

1187. Do you know a man by the name of Ringe?

No, sir.

1188. Do you know that it was not a man by the name of Ringe who signed this paper with you?

I do not think it was. I do not remember distinctly the name.

1189. Where did this man live?

It was represented that he lived in the valley of Virginia, near Winchester.

1190. Can you tell what the nature of your contract with this man was?

He was empowered as an agent to bring out cotton in behalf of Mr. Brummell and Mr. Conatty. I think that was the substance of it.

1191. What were the terms or conditions annexed to this contract?

If I do not mistake it was 10 per cent. that he was to allow on the profits.

1192. How did this man get to you?

He was brought to me by Mr. Brummell, one of the parties under this contract.

1193. And Mr. Brummell signed for himself and you for Mr. Conatty?

Yes, sir. I was not aware then that Mr. Conatty had not left for New Orleans or I would not have signed the paper at all, but having agreed to act as his attorney I could not do otherwise than to sign the paper for him.

1194. Did you hear Brummell say anything about Ringe, if that was his name?

Nothing particularly, only that it would be for the interest of the concern to make this interest with him.

1195. Do you know whether any person or persons were interested in this certificate of Conatty and Brummell except themselves and yourselves?

Not that I am aware of. I do not know of any others interested in it except these three.

1196. Do you know anything about this matter except what you have stated?

I do not know anything further; in fact, I did not examine deeply into the matter at all. I don't know anything more about it.

By Mr. Perry:

1197. What part of the business was you to transact for Mr. Conatty?

Just to sign with his power of attorney.

1198. Did he instruct you to purchase goods of any kind?

Nothing of the kind whatever. I was just to sign his name in his business.

1199. What would he have to sign his name to?

His business in connexion with his trade.

JOHN H. MORSE called, sworn, and examined.

By Mr. Washburne:

1200. Where do you reside?

In Missouri.

1201. What has been your business for the last year ?

I have been speculating.

1202. Have you had any trade in cotton with the rebel States ?

Yes, sir.

1203. In what locality ?

Down the Mississippi river.

1204. Have you had permits ?

Yes, sir.

1205. From the Treasury Department or the military authorities ?

From the Treasury Department, approved by the military authorities.

1206. To what extent have you carried on your trade ?

I could not tell exactly, between two and three thousand bales of cotton.

1207. What did you pay for it in ?

Greenbacks, and sometimes supplies.

1208. What kind of supplies ?

Whatever was permitted to go through.

1209. What proportion was permitted ?

Not a great deal, that matter has been under the control of the military altogether.

1210. In what part of the Mississippi valley was the trade carried on ?

From Memphis to the mouth of the St. Francis.

1211. How recently ?

It has continued until quite lately.

1212. Where did it come to ?

Memphis, and 142 bales were shipped to Philadelphia on the 19th of January.

1213. What has been the value of this cotton altogether which you have taken out ?

I do not know, perhaps a million dollars.

1214. How much have you made ?

I do not know ; very little, I think.

1215. Why very little ?

There is so much stealing going on it is pretty hard to make anything.

1216. Where is there stealing going on ?

Everywhere.

1217. In what way ?

I have lost a great deal, in the first place, by military orders, in not allowing me to bring out what they have permitted me to buy. I have been obliged to keep it while the price has fallen on my hands. I have lost largely by military orders ; then I have been swindled in New York by commission merchants. I may possibly have made fifty or one hundred thousand dollars, though you might say all I have is in the confederacy.

1218. In cotton ?

Yes.

1219. Did you have permits from special supervising agents under the law of July 2 ?

Most of my permits were under previous regulations.

By Mr. Eliot :

1220. How much cotton did your permits cover ?

I have permits for six or seven thousand bales of cotton, but I really had no right under them to take more than 3,000 bales.

1221. Have you any permits under the law of July, '64 !

Yes, I have some in my pocket now.

1222. What amount of cotton has been brought out under these last permits ?

I left Memphis on the 24th of December, and I think my boat has brought out nearly 600 bales : I cannot tell precisely.

1223. In whose names were the permits given ?

I have some in my own name and some in that of my partner, Mr. Murphy. The permits were issued by Mr. Ellery, upon application and statement that we had control of the cotton by contract.

1224. In what way has the cotton been paid for, that which has been procured under these last permits ?

Mostly in United States notes. I only know from a letter I have just received, which says the boat took down \$16,000 worth of goods.

1225. What kind of goods ?

Supplies such as were permitted by General Dana, and approved by him, that is, I know they could not go without his approval.

By Mr. Perry :

1226. Have you ever paid anything to officers of the army for getting cotton out ?

You now ask me a pretty tight question. It is a pretty hard thing for a man under the military authorities down there to tell what he knows. A man has no right to tell any-

thing without the permission of the military authorities. Under the published order of General Dana, he says, if I tell anything here without his permission he will put me in the Irving Block prison for punishment. The order is express that a man giving information in Washington without his permission will be subject to punishment. If I were to tell everything I know I could not keep my property; the officers in command down there do not regard the laws of Congress, the regulations of the Treasury, nor the orders of the President; they do what they please.

EDWARD L. TAYLOR called, sworn, and examined.

By Mr. Elliot:

1227. Where do you reside?

Columbus, Ohio.

1228. What has been your business for the last few years?

I am a lawyer by profession; my business, for the last year and a half, has been the handling and raising of cotton.

1229. What knowledge have you of the trade with the rebellious States, in cotton and other products?

I have been for something like a year and a half in the south. The first few months I was there, I was in business buying cotton and exporting it; for the last year, I have been engaged in raising cotton. During this time I have acquired a general knowledge of the trade with the rebellious States along the Mississippi river. The first purchase I made, and in fact all the purchases I made, were made in January, 1864, at Pine Bluff, Arkansas, or in that vicinity, along the Arkansas river. Pine Bluff is my headquarters.

1230. Under what authority did you act, and what quantities did you procure?

I acted under the authority of Mr. Millan; my permits were under regulations then existing for trade in those States.

1231. What amounts of cotton did your permits cover?

The permits covered about 2,000 bales; I had various permits, taken out at different times. Permits expired in thirty days, and had to be renewed.

1232. Where were those permits procured—at Cincinnati?

The first permit was procured at Cincinnati: they were renewed afterwards at Little Rock, Arkansas. All shipping permits were ultimately taken out at Pine Bluff.

1233. How was the cotton purchased?

Directly from the owners.

1234. How was it paid for?

In greenbacks; I never handled any supplies for cotton; I paid for all the cotton that I ever bought in United States currency.

1235. What transactions have you had in cotton, if any, since the passage of the law of July, 1864?

I have had no transactions except shipping cotton we had grown upon a plantation rented from the government. We worked pretty largely; something like 4,000 acres. It does not come under the regulation of July, 1864, but under the regulations for plantations; so I have had little handling to do under the regulation of July, 1864. I have not bought a bale since I left Pine Bluff.

1236. How large a tract of land did you lease under the treasury?

We leased nearly 4,000 acres.

1237. What parties were concerned with you, if any?

Mr. Ayres, my partner, under the firm of Ayres, Taylor & Co. Mr. Ayres is from my own place, Columbus, Ohio.

1238. You said, excepting cotton you sent from leased lands, you had no transactions in cotton since July, 1864?

None whatever.

1239. Have you any knowledge of any permits granted since that time?

I have knowledge of the fact that they have been granted, and that trade has been carried on by virtue of permits since that time.

1240. State that fully.

It is simply this. Mr. Ellery, treasury agent, the government purchasing agent at Memphis, issued trade permits to those who applied, whether to all or not I do not know, but almost every one who applied under trade regulations. Permits have been procured and cotton brought out under those permits since that time.

1241. To what extent has cotton been brought out?

I cannot say how many bales have been purchased by Mr. Ellery at Memphis. I heard about 30,000 bales. I do not think so much. My impression is that nothing like that amount has been purchased.

1242. Have your occupation and residence enabled you to form a judgment as to the character and amount of supplies which have gone into the rebel lines in payment for cotton?

Nothing definite. I know only the fact that supplies have gone into the rebel lines in exchange for cotton. I know that General Canby issued a strict order restricting articles to be given in exchange for cotton, but whether or not evaded I do not know.

1243. What has been the character of those supplies, so far as you have been able to judge?

They have consisted largely in dry goods, some whiskey, some in rope, and baggage and things of that kind. I never handled any supplies, but I know that those are the things usually given in exchange for cotton.

1244. Have these supplies or not been largely carried into the rebel lines?

Yes, sir; I believe they have.

1245. Can you form an estimate how much?

I cannot. There is great difficulty about it. It is, of course, done secretly, so far as the parties are concerned. They load them in a boat, and no one knows but those who give the permit and those who have the power to overhaul them.

1246. State how those permits are procured

I cannot, except on application. I know of no other means of procuring them.

1247. So far as you know has there been difficulty in procuring them?

I apprehend not. I have never heard of any difficulty in procuring them.

1248. Have they, to your knowledge, in any way received the approbation of the President?

To my knowledge they have not. I know merely the fact that the President has indorsed permits, whether by his own hand or not I am not sure, but my impression is by his own hand—permits for supplies. Helena is the headquarters. General N. B. Buford commands the district of eastern Arkansas. I have understood from him that these permits have been under the sanction of the President—some of them, but I do not know to what extent.

1249. You spoke of permits procured from Mr. Ellery since July, 1864. Have you seen any of them?

Yes, sir; I have.

1250. Have you seen any indorsed by the President?

No, sir. I think the permits indorsed by the President were those procured here, but I have no positive knowledge that they were indorsed. I have only the hearsay of those I conversed with.

1251. So far as you can judge, permits have been acted on which were obtained from Mr. Ellery?

Yes, sir; the purchasing agent for the government.

1252. The cotton procured under them were with the indorsement of the President or without it?

I saw one of the first permits Mr. Ellery issued. I examined it, for I wanted to know how trade was to be conducted. Among the first permits he issued was one to Mr. Nichols, of Kentucky. He was a gentleman I had met before, and he applied to me for the purpose of procuring assistance and co-operation in the business. He paid his respects to me at my office at Helena. I declined to have anything to do with it, but examined his permit. Since that I have seen permits, but have not examined them as critically as I did then to inform myself on the subject.

1253. What, from your means of observation, has been the effect of furnishing supplies within the rebel lines in payment for cotton; what effect has it had upon our cause?

In my opinion it has been very injurious.

1254. Why?

Simply this: I understand the first object of the war to be to put down the rebellion, and the first result of a trade of that kind is to strengthen the rebellion.

1255. Can you state any way by which trade can be carried on with the rebellious States, procuring their products and furnishing for them supplies of any kind, that would not be hurtful?

No, sir, I cannot, and for this reason: The moment you give men engaged in that business any latitude whatever in furnishing supplies, they will violate their oath towards the government almost certainly. They do it because they are allowed to do it by the agents appointed by the government. That is a fair statement of the facts as I understand them. My impression is that excluding supplies and establishing a trade, by which we shall pay money for cotton, will bring cotton into our lines.

1256. Have you made application for permits at Washington?

I have not.

1257. Do you know parties who have obtained them?

I do not. I made no application myself for permits for trade.

1258. What amount of cotton did you raise?

Between five and six hundred bales. We had a bad year, but we did very well for the year.

1259. State what you know in regard to trade stores established under the old regulations.

The method of procuring those permits have changed, but the general method was then as now, to apply to the local treasury agent at the post, wherever it may be—at Little Rock, Helena, or Vicksburg—to procure the permission of the commanding general, and then apply to Mr. Mellen, the treasury agent at Memphis, for permission to establish these stores. The treasury agent at Little Rock was afterwards allowed, on his own discretion, to grant these permits for a certain amount of supplies a month. So at other points.

1260. What were these trade stores established for, and how were they operated?

For the purpose of supplying the demands for goods in the southern States. On the part of the government they were allowed for that purpose, and on the part of those who established them they were for the purpose of making money. The trade store system, though I have never had anything to do with, I do not understand to be hurtful, if the commander is a judicious and honest man.

1261. What if he is not? It could be made injurious to our cause.

1262. Have you any knowledge as to the number of stores in the country known to you?

They were limited to a certain number, but they have been increased at certain times, and on the expiration of some of them they have not been renewed, so that the number has not remained the same at all times. I think there are some thirty or forty at Helena.

1263. From whom are permits obtained?

From the treasury agents. First from Loyal Case, then from his successor, Mr. Calicot, now treasury agent at Memphis. Mr. Heaton for a short time was sent there to fill a vacancy. He belonged to Mr. Mellen's office. He was succeeded by Mr. McDowell, a brother of General McDowell.

1264. Were these permits sanctioned by the commanding general of the post?

General Buford assumed command of the whole thing. I think Mr. Mellen had very little to do with it. General Buford had the control of the whole thing, so that the treasury agents had very little to do with it.

WEDNESDAY, *February 11, 1865.*

Present :

Senator.

Mr. MORGAN.

Representatives.

Mr. WASHBURN,
ELIOT,
PERRY,
LONGYEAR.

JOHN H. MORSE appeared, and examination continued.

By Mr. Perry :

1265. To what officers, if any, have you or your agents paid money to aid you in procuring cotton?

I never paid to any, and I do not think that any one of my agents ever did that. If you ask me what I believe, that is another thing.

1266. Has any man who is now, or has been, in the military service, had any interest in any way, either in passing goods through the lines or in receiving cotton through the lines with you, or to your knowledge? No, sir.

1267. Do you know of any such cases?

I only know what propositions have been made to me.

1268. What propositions have been made to you?

Propositions were made to me last spring to raise \$250,000 for certain expeditions to go up the Yazoo river.

1269. Who made these propositions?

They were made by a citizen, but he said it was in the interest of the military that they were made; that if \$250,000 was raised for the expeditions, the military would go up Yazoo river and impress the cotton, paying the planters for it \$50 a bale or nothing. The cotton was to be divided on its arrival at Vicksburg.

1270. What officers were referred to? The officers in command at Vicksburg.

1271. Who was the officer in command at Vicksburg at that time?

I think General Slocum, or it may have been General McPherson. I could not tell you now. The provost marshal's name, I think, was Waddell. I am not certain; I was at Memphis at the time.

1272. You stated, yesterday, that you had brought through the lines and sent to market between two and three thousand bales of cotton; have the military assisted you in that matter?

No, sir, they have rather hindered me.

1273. Have you the means of making an accurate statement as to how many goods were furnished in payment of that cotton, and how large a sum in greenbacks?

No, not with me. I think I could tell by referring to my books. No goods were ever sent, however, except when permitted by the treasury or military authorities. They amounted to a very small per cent. of the cost of the cotton. I think not more than \$50,000 worth all told. I paid at one place between three and four hundred thousand dollars for cotton last year, and I do not think at that time more than thirty or forty thousand dollars worth of goods were furnished.

1274. Have you an agent, connected with the confederate government, for getting out cotton?

No, sir.

By Mr. Eliot :

1275. State, if you please, what inducements, if any, have been required of you, as a means of obtaining military aid in getting out cotton?

None at all.

1276. What did you mean by saying, in answer to the question, "Have you ever paid anything to officers of the army for getting cotton out?" "You now ask me a pretty tight question. It is a pretty hard thing for a man under the military authorities down there to tell what he knows."

I mean this: that a man may be moving cotton, and moving it legitimately, under regular authority of the United States, may pay all of his taxes, legal and illegal, and then be arrested by provost marshals or military detectives, or other parties, for black mail; that is what I mean.

1277. State whether that was the case with you?

In my opinion that was the case. In my opinion that was the reason why I was arrested several times.

1278. Did that result in your making payments of any kind?

It resulted in my having to employ counsel.

1279. Was any black mail ever had of you at any time?

The counsel generally got my property loose. I never paid any money only to counsel.

1280. Was the money you paid all of it as counsel fees?

I had to pay the property so much and the property came loose.

1281. What amount of money have you paid to counsel?

I do not know that I can tell; I have never kept the run of that.

1282. State as nearly as you can?

I judge about \$20,000, in one way or another.

1283. Had you any reason to believe that any person other than counsel would be interested in that money?

A man can think a great many things. I could not tell what the counsel did.

1284. The question is, had you any reason to believe that any part of it went to other parties?

I thought so.

1285. What reason did you have to think so?

The reason that I have been arrested one week and turned loose the next. If it was right to arrest, it was right to hold, as I thought.

1286. What proportion of the money you paid did you have reason to think went to others than your counsel?

I do not know anything about it. The lawyers who I employed did the business in their own way.

1287. Did you suppose your lawyers were doing business with the parties prosecuting you?

I do not know; I thought so. The whole thing from one end of the river to the other has been carried on in a very strange way.

By Mr. Perry :

1288. Were these parties you employed lawyers in all cases?

I think they were.

1289. I want you, if you can, to state the name of any officer under the government who has interfered with your property, and released it, and who, at the time, you had reason to believe received a portion of the money that you paid to counsel?

That is a thing I could not state, it has been so mixed up with treasury and military officers; sometimes the military would aid the Treasury in binding things and sometimes in loosing things; there was a combination, in my opinion, between them.

1290. Have you answered frankly the questions put to you according to the best of your knowledge?

I could not tell you how the money is divided; whether it is divided at all between the counsel and other parties I could not tell; whether any of it went to the military and treasury officers I could not tell, but in my opinion it was divided between them.

1291. Between counsel and officers of the treasury and military?

Yes, sir; it is a combination; money has been paid in a great many ways and directions.

1292. In what ways and directions?

I mean at different times, not in a lump. You ask me how much I think I have paid out for counsel fees, and I replied \$20,000, first and last. I did not pay it all at one time. We have been out a good deal more than that in consequence of military orders. I think I am out more than \$70,000 or \$80,000 in consequence of military orders, made arbitrarily by military officers, and I am out some \$50,000 by payment of extraordinary taxes, levied without any authority of law, in my opinion.

1293. Will you exhibit to the committee these permits under which you have brought out cotton?

I have not any with me. I have received some permits under the late law, but I have not taken out any cotton under them. I came here to get the President to approve them.

1294. Where are your other permits?

At Memphis. They are filed there with the Treasury Department.

1295. When was the last time you procured cotton?

I have already stated that I supposed my boat to be getting out cotton now.

1296. What boat do you speak of?

I speak of the steamboat which I own on the river.

1297. Have you more than one?

No; I am interested in another.

1298. Will you show the permits you have here under which you say no cotton has been brought out?

The following are three applications made and permits received under them:

No. 195.

Application.

"I, John H. Morse, of Jefferson county, State of Missouri, own or control two thousand bales of cotton, now in the counties north of Red river, State of Arkansas, which I wish to deliver to the United States purchasing agent at Memphis, under the regulations prescribed for the purchase of products from insurrectionary States on government account," and approved by the President September 24, 1864.

"JOHN H. MORSE."

Permit.

[Form No. 1.]

"MEMPHIS, TENNESSEE, December 24, 1864.

"I, George H. Ellery, agent for the purchase of products of insurrectionary States on behalf of the government of the United States at Memphis, Tennessee, do hereby certify that I have agreed to purchase from John H. Morse two thousand bales of cotton, which products, it is represented, are or will be on the streams entering Red River of the North, in the counties bordering on and between the Red and Arkansas rivers, in the State of Arkansas, on the ——— day of ———, 186 —, and which he stipulates shall be delivered to me, unless prevented from so doing by the authority of the United States.

"I therefore request safe conduct for the said John H. Morse and his means of transportation and said products, from the Red river and tributaries to Memphis, Tennessee, where the products so transported are to be sold and delivered to me under the stipulation referred to above, and pursuant to regulations prescribed by the Secretary of the Treasury.

"GEORGE H. ELLERY,

"United States Purchasing Agent."

No. 194.

Application.

"I, John H. Morse, of Jefferson county, State of Missouri, own or control (1800) eighteen hundred bales of cotton now in the counties bordering on the Yazoo river, State of Mississippi, which I wish to deliver to the United State purchasing agent at Memphis, under the regulations prescribed for the purchase of products from insurrectionary States on government account," and approved by the President September 24, 1864

"JOHN H. MORSE."

Permit.

[Form No. 1.]

MEMPHIS, TENN., *December 24, 1864.*

"I, George H. Ellery, agent for the purchase of products of insurrectionary States on behalf of the government of the United States, at Memphis, Tennessee, do hereby certify that I have agreed to purchase from John H. Morse eighteen hundred bales of cotton, which products, it is represented, are or will be on the banks of the Yazoo river, in the counties bordering on the Yazoo river, in the State of Mississippi, on the — day of —, 186—, and which he stipulates shall be delivered to me unless prevented from so doing by the authorities of the United States.

"I therefore request safe conduct for the said John H. Morse, and his means of transportation and said products, from the Yazoo river to Memphis, Tennessee, where the products so transported are to be sold and delivered to me under the stipulation referred to above, and pursuant to regulations prescribed by the Secretary of the Treasury.

"GEO. H. ELLERY,
"United States Purchasing Agent."

No. 196.

Application.

"I, John H. Morse, of Jefferson county, State of Missouri, own or control three thousand bales of cotton, now in the counties bordering on the banks of the Mississippi river, in Arkansas and Mississippi, which I wish to deliver to the United States purchasing agent at Memphis, under the regulations prescribed for the purchase of products from insurrectionary States on government account, and approved by the President September 24, 1864.

"JOHN H. MORSE."

Permit.

[Form No. 1.]

MEMPHIS, TENN., *December 24, 1864.*

"I, George H. Ellery, agent for the purchase of products of insurrectionary States on behalf of the government of the United States, at Memphis, Tenn., do hereby certify that I have agreed to purchase from John H. Morse three thousand bales of cotton, which products, it is represented, are or will be on the banks of the Mississippi river, in the counties bordering the Mississippi river, in the States of Mississippi and Arkansas, on the — day of —, 186—, and which he stipulates shall be delivered to me unless prevented from so doing by the authority of the United States.

"I therefore request safe conduct for the said John H. Morse, and his means of transportation and said products, from the counties bordering on the river as above to Memphis, Tennessee, where the products so transported are to be sold and delivered to me under the stipulations referred to above, and pursuant to regulations prescribed by the Secretary of the Treasury.

"GEO. H. ELLERY,
"United States Purchasing Agent."

1299. These three applications are all dated September 24, 1864; were they all made at the same time?

Yes, sir.

1300. What was the process by which permits were granted?

I wrote those applications, and permits were issued under regulations of the Treasury Department, as I understand.

1301. And you say the applications were all made at the same time, and the permits given at the same time?

Yes.

1302. Why were they not all embraced in one?

For the reason that they cover different districts of country, and I wanted to send one by one boat in one direction, and another by another boat in another direction.

1303. Did you own this cotton at the time these applications were made?

Not all of it; I controlled it; I owned it, or had the agency of it.

1304. How?

I contracted with parties for it.

1305. This cotton is all within the rebel lines, is it not?

Yes, or in a section claimed both by us and by the rebels.

1306. And the parties you dealt with, in buying cotton, are rebels?

They say they are not; there is a difference of opinion as to what constitutes a rebel.

1307. What is your judgment?

In my opinion, a great many of them are rebels.

1308. How many men own the cotton?

I suppose, perhaps, half a dozen.

1309. What kind of bargains did you make with them?

They were made before the act of Congress of July 2d was passed.

1310. Was it purchased with money?

I have paid a considerable amount of money for it.

1311. You have stated that you brought these papers to Washington for some purpose; will you please restate the object for which you brought them here?

General Dana issued an order that I considered entirely at variance both with the orders of the President and of the Treasury Department, which was that if I wanted to go and get the cotton, I must locate it, stating precisely on what plantations it was to be found; that unless I could do that I could not go and get the cotton. For instance, I contracted with a party to deliver cotton on the Red river; I contracted with a party to deliver it at Friar's point, I could not tell where this cotton was. I desired permission to bring out cotton I had contracted and paid my money for, without being subjected to so impracticable conditions. I came here to have that question decided. I also desired to know whether I was to be permitted to take out supplies or not, for General Dana had changed the orders of President Lincoln and Mr. Fessenden, as I understand them, and prohibited supplies from being taken out.

1312. Do you state that you own the 6,000 bales of cotton mentioned in these permits? Own or control.

1313. This is independent of the cotton you have already got out, of course?

O yes.

1314. Do you mean to say that these six or eight thousand bales have been paid for?

I have paid forty or fifty thousand dollars towards it, and they have agreed to deliver me so much cotton.

1315. Was this transaction prior to the passage of the act of Congress of July 2d?

Yes.

1316. And this amount of cotton has not been covered by any cotton brought out since you have been here?

No, sir

1317. So that your whole interest in cotton already brought out, and in permits to obtain cotton, would amount to 10,000 bales?

I think to about 7,000 bales.

1318. What amounts of cotton did the permits cover that your partner is now acting under?

I do not know; these permits are given out when an expedition goes out, and taken up when the boat returns, without reference to the amount obtained. We very likely would take out a permit for 1,000 bales, which would be taken up when not more than fifty had been brought out, and a new permit issued.

1319. And you say you came to Washington to ascertain what supplies could be taken out?

I wanted to know the nature of the supplies which would be permitted. The order issued by General Dana, it seems to me, is entirely at variance with the treasury regulations, which allow supplies to be taken in to the amount of one-third of the cotton brought out. I wanted to know whether if I contract with planters to bring them, in return for cotton brought out, supplies to the amount of one-third the amount, I shall be compelled, by military authorities, to make a breach of contract with those planters. I do not want to be placed in that position towards them, for many of them are honorable men. I made such a contract with planters, and I have, within the last three days, written to those in charge of my boat down there, that if they had any cotton on board to give it back to the planters, for I do not want to be guilty of bad faith towards them, as I would be compelled to do by this order stopping supplies.

1320. Then, for these six or eight thousand bales of cotton you propose to return supplies to one-third their value?

Yes, one-third of the value at the time the cotton was delivered.

1321. Can you state about what would be the value of that amount of cotton?

It would amount to several hundred thousand dollars

1322. What effect do you think this kind of trade with the rebels has upon the cause of the Union?

I have an opinion about that which may be different, I suppose, from that of many other

men. In politics I am as radical as anybody in desiring to see this rebellion put down, but if I were to tell you my own views upon this subject, you might perhaps call me a rebel. My opinion is this: take, for instance, a single county in Mississippi, from which a good deal of my cotton has come, a very large majority of the people were against secession, until the acts of Congress in regard to confiscation, &c., were passed, and they have placed them almost unanimously with the rest of the south in the interest of Jeff. Davis. It has placed them, against their own will, in hostility to the government, for the sake of protecting themselves in the enjoyment of their own property. Now, if they are allowed to sell their cotton and have something to eat and something to wear in return, it makes it for their interest to be disloyal to the confederacy. Under a strict construction of the act of Congress I do not think the President had any right to permit supplies to go through the rebel lines, but the President assumed the authority.

1323. Have you dealt in purchasing cotton with any others than the planters who raised it?

I do not know; I think probably I might; there are cotton speculators in the confederacy as much as within our lines, buying and selling.

1324. Have you had reason to suppose that some of the parties operating with you for the sale of cotton have been in the rebel service?

I do not know; they might. The men there are all in the confederate service; many have been forced in.

I mean men who are acting in some way or other under the confederacy?

I do not know anything about that. I believe that these supplies would, to a greater or less extent, get into the confederate army. I think I have known of instances where they were captured and carried in.

1325. Do you mean to say that that would be favorable to the cause of the Union?

I cannot say that it would, but at the same time I believe it would do no harm. I do not think myself the south ever lost a battle for want of something to eat, or something to wear, on the part of their soldiers. The cotton in the confederacy has the effect to make all Europe interested in running the blockade; and while the cotton remains in the confederacy, efforts to run the blockade will continue to be made; but if the cotton can be taken out of the confederacy, even on condition of admitting supplies not contraband of war, the sole ground of their reliance abroad will be taken away.

1326. If any person, who you had reason to believe was an agent of the confederate government for the sale of cotton, should come to you, would you feel authorized to make a purchase from him?

Yes; the act of Congress says nothing about rebel cotton.

1327. And you would have no hesitation to deal with the rebels?

I should consider that I had the right under my permits to buy cotton from anybody—that is the construction given by the treasury agents.

1328. Have you, in fact, dealt with some of these parties in the purchase of cotton?

I may and I may not. I am not acquainted with all the men I have employed to purchase cotton.

1329. Have you not dealt with persons whom you have no reason to doubt came from the confederate army?

I do not know. Prior to the act of July 2, supplies were not permitted to go outside our lines, unless upon the oath of the party applying for them that they were exclusively for his own use; but under the act of July 2 that condition was not required.

1330. Have not you had reason to believe that some portion of the supplies introduced went to the support of the rebel army?

So far as my opinion is concerned, I believe such things have been done.

By Mr. Washburne:

1331. Are there many persons engaged in this cotton trade down the Mississippi?

There have been, from time to time, a good many.

1332. Are you one of the largest operators in that business?

No, sir; I have done a great deal, but there are men who have done a great deal more. Parkman & Brooks have done more; they are among the largest operators. William Butler, of Illinois, is another. Terrill & Cherry are large operators. Samuel Casey was a pretty large one. The men engaged in New Orleans I am not acquainted with. The largest operator last year was Parkman. Jim Harris is perhaps the largest one for this year's operations. The largest permits that are ever issued, are issued here. I have applied for one myself, but cannot get it, for what reason I know not, unless because I have got cotton, and those who get permits have not. Men who have no cotton come here and get permits without difficulty.

1333. Do you know any such cases?

Yes; this man Conatty has a permit for 50,000 bales.

1334. Has he ever tried to negotiate that with you?

I think I could have had the benefit of that permit if it had been worth negotiating for.

1335. Did he ever offer to sell it to you?

No; I think I could, by taking him in as a partner with me, have had the benefit of his contract. I have seen the permit, read it through, and suggested to him that it was lame. It is a contract to bring out 50,000 bales of cotton, at certain points, for which he has the President's order.

1336. Has Conatty, or any of the parties connected with that contract, offered to sell it, to your knowledge?

No; he told me what he could get for it?

1337. What did he tell you he could get for it?

He told me he could get \$5,000. It was not exactly stated whether there were other partners to come on with him or not. I think I should have gone into partnership with him if the contract had been worth anything. It was limited, the time only running till 1st of May. After I talked with him, he got it amended in some respects, and that was what vexed me.

1338. How has he got it amended?

The contract was that the cotton should be delivered by way of the Mississippi river. I asked him how he could get his cotton from certain States unless he could travel on the tributaries of the Mississippi river, and he got it amended so as to read "and its tributaries."

1339. Was that done at your suggestion?

I saw the amendment. When I came here I asked for a permit to ship through to New York and Philadelphia, the houses receiving at these points accounting to the government for the taxes; but I could not get such a thing. I found such things given to others, but refused to me. Martin, of the Ocean Bank, received such permission.

1340. Is Mr. Martin in Memphis now?

I suppose he is; I left him there.

1341. Is he getting out cotton?

I do not know. Men cannot go from the east and get out cotton there unless they associate with men who have been in the trade.

1342. Who is Martin's partner?

I cannot tell you.

1343. Has he a steamboat there?

I cannot tell you; he is trading there, and I think has gone in with some cotton man. The fact is, the treasury agents and the military are making all of the money. General Washburne issued an order about the 26th of July, ordering all cotton in Memphis, or in transit to Memphis, to be put into store and receipted for by the owner. I had a lot of cotton which was taken in that way. Cotton at that time was worth \$1 65 in Memphis, and they held that cotton until it was worth only 80 cents. A secret order was then issued, that, when parties went to get their cotton, \$5 a bale was to be charged for storage. There was then a charge called "hospital dues." I constituted myself an "investigating committee" about these hospital charges, and I learned from the hospital men there that all of the hospitals were supported by government. There was some twenty-five or thirty thousand dollars collected at that time to my certain knowledge. I paid over \$400 myself.

1344. To whom was that paid?

To Quartermaster Edwards.

1345. How much do you think has been paid at the port of Memphis for hospital tax?

I think, as far as my knowledge serves me, from ten to twenty thousand dollars was paid, at the rate of \$5 a bale, whether the cotton was actually stored or not. One of the sergeants where I boarded told me that the government supported the hospitals, and that he did not believe one dollar of the money so paid was ever seen in a hospital. Then, in November or December, General Dana issued an order that all the cotton arriving in Memphis should pay \$2 a bale tax for militia purposes.

1346. To what purpose was that applied?

The militia wanted to know that.

1347. How much should you think had been paid in all?

I cannot say. The papers say 30,000 bales arrived there, which at \$2 a bale would amount to \$60,000. I think 50,000 bales came out of Memphis under that order. General Dana, in my presence, made a boat pay an arbitrary fine of \$2,500.

1348. What boat was that?

The "Sultana," a St. Louis and New Orleans boat. Under these arrangements we paid four cents a pound tax as internal revenue, \$2 a bale to the quartermasters, and now we pay four cents a pound under a treasury order.

1349. Did you pay that at the custom-house?

No sir, I have paid over \$40,000 under that tax, and there is no law for it at all. The regulations say what shall be collected; but through treasury agents, detectives, &c., I suppose from four to eight millions of dollars have been collected in that region, without any authority of law whatever. At the request of the commissioner, I submit the letter to which I referred in my testimony of yesterday:

“MEMPHIS, TENNESSEE, *January 23, 1865.*

“DEAR SIR: Your favor of the 14th has just come to hand, and I hasten to answer the same. I have received some two or three letters from you in the last week, but expecting you home every day, I did not answer them. I was glad to see, from the tenor of your letter, that you were so hopeful in getting your business fixed up satisfactory just at this time. It would be fortunate for you to succeed and have your papers here, so that you might use them in getting out cotton from the Point. Murphey has made one trip, and brought out 142 bales and turned it over to the government, and paid the 25 per cent. tax, and shipped it to G. Pattison & Co., Philadelphia, and drawn upon them for \$48,000. He got a permit for \$18,000 worth of supplies, and has gone back to the Point for another lot of cotton that he engaged on his first trip. The 142 bales averaged 58 cents per pound. The government valued it at \$1 05, to pay tax, which I consider an outrage, as it was nothing more than low middling, if that, and according to New York quotation it should not have been valued at more than 90 or 95 cents. The cotton weighed 61,000 pounds. The government tax was the rise of \$17,000, which, according to my calculation, will take off the entire profit, without cotton should go up to \$1 35 to \$1 40 before it gets to Philadelphia, which I am inclined to doubt. The former merchants and speculators are very much dissatisfied with Mr. Ellery in regard to the way that he is dealing with them. He does not propose to give and take. If you sell to him, he takes it six cents less than he will allow you to buy it at. For instance, if you sell him middling to day, he will give you 94 cents for it, but if you buy it back, he will value it at \$1, which makes a difference in his favor of six cents, and in large lots of cotton it is quite an item. And as you expect to continue in the trade, it would be advisable for you to see if he is going according to instructions. After the expenses were deducted your cotton only netted 62½ cents. Now, add 42¾ cents tax to the original cost, 58 cents, and you will see that cotton stands you \$1 0¾ per pound, with the six cents government tax paid. Now add to that amount 8½ cents for transportation, and it will cost you \$1 09¼ to land your cotton in Philadelphia. Without cotton goes up you will lose money by shipping, and make nothing by turning it over to Ellery. Williams is with Murphey. General Beauford furnished the Hill with a gunboat escort, on her first trip to the Point. Murphey is in fine spirits, and says the people down the river are anxious to sell him cotton. Dr. Jackson is now at the Point with some parties getting out cotton. Lacy & Magee received 600 bales to-day by the river. If you succeed in getting your papers fixed up right you can make money, but without them it is useless to work. Our lines are still closed against trade outside of the military occupation, and not much hope of their being opened soon. Trade in cotton here is played out, except what Ellery is doing. His concern reminds me very much of a certain loathsome disease that medical men call small-pox; if a man has it once he never has it a second time. The same way with these country people; if they turn over one lot of cotton to Ellery they never turn over the second lot. Write often, and give me the news.

“Yours, respectfully,

“J. M. COLEMAN.

“JOHN H. MORSE, Esq., *Washington City, D. C.*”

JAMES S. CASEY called, sworn, and examined.

By Mr. Eliot:

1350. State your residence and business for the last few years?

My residence is Kentucky. I have been engaged in cotton speculations during the last two years.

1351. State where, to what extent, and under what permits or contracts?

At Vicksburg, and to a limited extent, under permits of the Treasury Department, issued at Vicksburg, and some at St. Louis.

1352. When did this business commence?

I do not remember the time that I did commence exactly; the principal business I have done commenced in January, 1864.

1353. What amount of cotton in the whole have the permits you have had covered, as nearly as you can state?

I have had more permits than I have had cotton; I could not tell the amounts the permits covered; I have no definite idea.

1354. Can you state the amount of cotton you have procured?

I could state somewhere near the amount of cotton, but I could not state the amounts the permits covered, for the reason that sometimes we would get a permit for a very large amount, which would be given up when only a small amount had been obtained, and then we would get another permit; I suppose I have brought out altogether nearly 2,000 bales of cotton.

1355. From what sections of the country had the cotton been brought?

Back of Vicksburg, in the interior.

1356. Had the cotton been purchased or contracted for by you prior to your obtaining permits?

Most of it.

1357. In what way was that cotton paid for?

It was paid for in greenbacks.

1358. All of it?

I was interested in some cotton at one time which had been paid for in part in confederate money. It had been purchased and paid for a long time.

1359. What permits, if any, have you obtained since July, 1864?

None.

1360. Then all your transactions have been upon the permits procured before the passage of the act of July 2, 1864?

Yes.

1361. Have you made application for permits under that law?

No.

1362. Have you had any interest in any applications that have been made?

Yes, I have a prospective interest.

1363. State the facts concerning these transactions?

I know nothing about it, only my brother applied for some permits to get some cotton. I was interested in them.

1364. Did he procure them?

I do not know; I have not seen him since.

1365. Did you sign any applications for permits?

No, sir.

1366. Then all that has been done in that matter has been done by your brother?

Yes. I have a partner in Vicksburg who may have made some application without my knowledge.

1367. What is his name?

M. M. Forsyth.

1368. Have you any knowledge concerning the trade with the rebel States since the passage of the act of July 2, 1864?

No, sir.

1369. Can you give the committee any information in regard to the effect of that law as it has been administered upon the interest of the government?

No, sir; I have been in Missouri since that time, and here, and therefore can give no idea about it.

1370. What amount of money have you invested in cotton under the permit you have stated?

I could not tell without seeing some accounts which I have.

1371. Could you approximate the amount?

No, sir. Not in a way that would be at all satisfactory.

1372. Have you had any dealings with officers, military or civil, in the matter of obtaining cotton?

I have had conversations with them in regard to these things.

1373. Since the passage of the law of 1864?

No, sir.

1374. Have you had any conversations with them which have resulted in transactions?

Only so far as getting permits, and sometimes receiving favors, which any one had the right to demand.

1375. Have you any knowledge in regard to supplies sent into the rebel lines in payment for cotton procured for them?

No, sir; nothing positive.

By Mr. Perry:

1376. Have you now cotton under your control on the Mississippi?

Yes, sir.

1377. Purchased and paid for?

Yes.

1378. How much?

About 600 bales, I should think, that I am interested in. I do not own it all.

1379. How much have you had which was delivered at Memphis?

We shipped at New Orleans; we transferred some to Memphis, to be shipped to New York.

1380. How much have you had to pay for passing cotton through Memphis?

That was paid by the merchants there.

1381. How much did they pay?

Not more than the usual charges.

1382. What were the common charges there?

I do not know.

1383. Were there any charges at New Orleans?

Nothing more than hospital dues and some other taxes. I do not remember precisely what taxes were paid there.

By Mr. Eliot:

1384. You state that the payment of the cotton was in greenbacks; with what parties did you contract for the purchase of this cotton?

We contracted with some owners and sometimes negotiated with parties living in the country to buy and get out the cotton.

1385. Were these owners rebels?

Yes; some of them had taken the oath, but that does not make a man a Union man.

1386. Can you give the committee any facts or judgment, from observation or information, as to the effect on our cause of these dealings with the rebel States in cotton or other products?

If you will make a proper discrimination in trade it would be a benefit to the government. If you could have honest men to administer the laws, men who would act justly without being bribed, I think the trade would be beneficial.

1387. Have you met such men?

I do not believe there is an honest man on the Mississippi river connected with cotton permits in any way; the temptation is so great they cannot withstand it. As honest men as you can find in the country go down there and become contaminated.

1388. Then, in view of that fact, what, in your judgment, is the practical effect of this trade on the government cause, under the law as it is administered?

It is bad.

1389. Have you any of the permits with you that you have spoken of?

I have not.

1390. Do I understand you that they were procured upon application for any amount of cotton asked for, whether the party applying owned or did not own the cotton at the time the application was made?

The application was for a permit to purchase.

1391. And the amount was fixed as large as you pleased?

Yes, sir.

1392. If these permits were lost could they be used by other parties?

No; because they were given in the name of the person applying.

1393. Were they considered valuable, or were they so easily procured as to be worth nothing?

They were very easily procured.

1394. Is there any fact within your knowledge that would throw light upon the subject under investigation?

Nothing that I know personally.

MONDAY, February 13, 1865.

Members present:

Representatives.

Mr. WASHBURN, E.

Representatives.

Mr. FERRY.

General GEO. H. GORNOX called, sworn, and examined:

By Mr. Washburne:

1395. Please state your residence and the position you occupy?

I am residing at Norfolk, Va., and am in command of the eastern district of Virginia.

1396. How long have you been here?

I have been engaged here as president of a military commission ordered on the 19th of January, 1865, from headquarters department of Virginia and North Carolina. The object of this commission was to investigate the extent and nature of the trade carried on through and from the port of Norfolk with the interior of Virginia. The commission has been in

session since that date, sitting daily, Sundays excepted, about four hours per day, without any intermission until the present.

1897. What has been the result of your investigation and observation thus far in relation to the subject matter of the investigation, please state fully and particularly in narrative form?

My opinion, from the investigation thus far continued, is that, by far the greater portion of the goods, wares, and merchandise, admitted into the port of Norfolk, find their way directly into the rebel lines, for the benefit of the rebel armies. Norfolk is now a free port, like any other domestic port in the United States, and there is no limit, I believe, to the shipment of goods, except contraband of war, from any domestic or foreign port. As I understand the treasury regulations, the relations now between Norfolk proper, as a city, and the outside country, are precisely the same as they were between any other domestic port and Norfolk, before it was an open port. Consequently, all the goods that come into Norfolk, unless properly guarded against, will pass directly out into the adjoining country; and, if they do so, there has been, in my judgment, no satisfactory provision made to prevent their passing directly into the rebel lines, by going up through the Dismal Swamp and Albemarle and Chesapeake canals, and across the Chowan river. I believe it has been considered in this department that the counties west of the Dismal Swamp canal were neutral ground, but the best testimony shows that the country has been freely open to incursions from the rebel lines and excursions from our limits; that any goods there could, without the slightest let or hindrance, be transported into the rebel lines; that there have been during the last year a very large amount of goods passed through to Elizabeth City, Edenton, Hertford, Gatesville, Washington Ditch, so called, and Hamburg, all of which places are entirely outside our picket line, and entirely without the control of our military forces, unless there should happen to be a raid made in that section of the country. The picket lines in this eastern district of Virginia have covered portions of the ground between Suffolk and a place on the Albemarle and Chesapeake canal called Coan Jock, but the stations have been such that they presented, in my judgment, no particular obstruction to the passage of goods without the lines.

At certain points on the picket line, as at Coan Jock, on the Albemarle and Chesapeake canal, Bernard's Mills, a little south of Suffolk, and a place called Ballyhack, on the Dismal Swamp canal, there have been stores erected by permission of the military authorities here. I learn that the Treasury Department have, in fact, exercised no jurisdiction over them. To a question of mine, why they had not, the agent of the treasury replied that he could not tell, but he had not. I do not find that there was any special limit allowed as to the amount of goods these stores could have. The theory seems to have been that this loyal population (as it was supposed to be) west of these places would purchase simply the necessities of life, and that nothing could or would find its way into the rebel lines. But all the testimony serves to show that much not only did find its way into the rebel lines, but that the provisions of the treasury regulations and the restrictions which the Treasury Department have published to prevent large stocks of goods from being kept on hand, and all the restrictions which they have published to prevent large sales of goods being made to one man, have been entirely ignored. And if there was any limit at all, in my judgment, it was the limit of capacity to purchase and nothing else, or, in fact, the limit of the allowance of goods that could come into Norfolk. Previously to this being an open port and subsequently, the sales of goods outside, with permission of the authorities to take cargoes to Elizabeth City, Edenton, and other places, as I understand, was permitted by the military commander with a view of supplying these loyal people, but the permission was, in fact, used to make large exchanges of cotton. I think I may give an abstract of the amount of goods that within a given time have passed out of Norfolk, and perhaps the amount of cotton that has come in, which will show the nature of the exchanges that have been made. I may state the fact that about all the cotton that passes across the Blackwater and Chowan rivers is the property of the rebel government, and passes only by their permission; that they have a rebel commissary stationed at a place called Murfree's Depot, who, since July last, has exchanged cotton for coffee, sugar, molasses, hats, cavalry boots, and other articles necessary for the rebel armies. Prior to that time such exchanges were made principally for meat. From what I have said, and from a great mass of testimony to which I have not referred, but which is corroboratory of my statements, and from personal observation on the Mississippi and in other parts of the country of precisely the same import, I am clearly of the opinion that the establishment of trade stores under the regulations of the Treasury Department is entirely injurious to the United States government and entirely beneficial to the rebel government, and that so far as this district is concerned the opening of the port of Norfolk as a public port is productive of the most serious injury to the United States government; that the permission to sell goods within the United States outside of our own picket lines, or where they can get outside of our own picket lines, is also productive of grievous injury; that if Norfolk is still to be continued

as an open port it will necessitate the employment of a large military force to be wasted to prevent these goods from finding their way to the rebels. A military permission to bring in such cargoes as are essential to the citizens who may remain here and the soldiers who may be employed here will answer all purposes of the public good.

1398. What has been the effect of the trade under the treasury regulations, so far as there has been any such trade?

Under the treasury regulations there seem to have been provisions by which only one store should keep on hand a certain amount of goods, and the government was protected to a certain extent, by allowing sales of these goods, in certain quantities, only to certain persons, about which persons inquiry was made as to their loyalty and the improbability of those goods getting to the rebels, and of their being used simply for family supplies. In the eastern district, where I have more minutely observed the working of this system, the Treasury Department seems to have been totally ignored in it, and their requirements were never fulfilled. And so far as the military undertook to do what the Treasury Department were required to do, they most signally failed, for this reason and to this extent: they did not require any person coming from this so-called neutral region to take the oath of allegiance, under the plea that the government could not protect him. They did require him to make an affidavit that the goods were for his own use; but, without any knowledge of who he was or where he came from, they allowed him to purchase for himself to the extent of \$200. They permitted him also to represent ten, thirty, or fifty of his neighbors, upon his mere saying that he had come in to make purchases for them. The protection against these goods going to the rebels, was simply that a list of the goods required by the citizen was handed to the officer, which list was sent to the provost marshal up stairs; this provost marshal gave him permission to take the goods out, the provost marshal himself being totally ignorant of who the man was, or where he was going, or whether the list was intended for two or forty of his neighbors. Therefore, in fact, one man has been permitted to take, under the guise of family supplies, \$2,000 worth of goods from Coan Jock, on the ground that he was going to supply his neighbors. And that abuse, I think, will become unlimited in extent if parties are allowed to sell goods beyond our picket lines.

1399. What is the present state of the trade; does it continue the same as it has done, or has it been curtailed?

By an order from General Grant, no goods are now permitted to pass in bulk from Norfolk. This commission, under the authority it assumed to possess, immediately shut up the stores outside the picket lines, and now sales are allowed in small quantities to families, but Norfolk is the only point of supply. I have not yet made such restrictions as I propose to make, the design of which is to prevent the possibility of anything going beyond our picket lines.

1400. Would it require a larger military force to do what you propose than to stop all trade at once?

I do not think it will. I think a force sufficient to prevent ingress and egress from our lines would be quite sufficient to prevent the exportation of any supplies. The supplies that have gone out have proceeded upon the theory that we ought to feed the large population east of the Chowan and Blackwater rivers, but, in my judgment, the supplies have passed out to other persons for the purpose of bringing in cotton; that instead of supplying those people, they have passed over into the rebel country and been exchanged for cotton. I have testimony to the fact that these people, supposed to be loyal, sell their hogs and such meat as they can get to the rebels for cotton, then bring the cotton back and sell it for sugar, coffee, caudles, molasses, &c., then sell these articles for more cotton, and so continue the business. I find that as high as six carts have been seen on one road coming in for goods to be carried across the Chowan river.

By Mr. Perry:

1401. Who do you find have been engaged in this trade most prominently?

The store at Coan Jock was nominally under a simple-minded North Carolinian, named C. C. Poole; but Mr. Poole had, in fact, a very small interest, I think one-tenth, while nine-tenths was owned by a man who had been adjutant general of this district for more than a year, named Johnston, who went off very suddenly after this investigation commenced and before I had fairly done with him. He is now, I understand, in Boston. I think Johnston testified that that nine-tenths was further divided, one Sanborn being a part owner.

1402. Where did you find this Poole's residence to be?

He was a resident, I think, of Elizabeth City, but kept his store at Coan Jock. I can also say, from the testimony in my possession, of Poole, that as he did not make enough to satisfy him by selling, it was Johnston's habit to get military permits in Norfolk for goods to go to the Coan Jock trade store, and then to sell these goods to parties in Elizabeth City, passing them directly by Coan Jock and receiving twenty-five per cent. bonus in the

invoice price, thus selling directly a military permit to go outside our lines, Elizabeth City being fourteen miles out-side our pickets.

1403. Who is Johnston?

Johnston was formerly assistant adjutant general of this district, and had acted as assistant adjutant general of the department under General Butler. He resigned, I think, last November, and immediately established this store. He had a great deal to do with permits before his resignation.

1404. By whose authority were these permits made out at that time?

By the authority of General Shepley.

1405. What interest had Mr. Hildreth in any of these stores?

The store at Ballyback was carried on under the title of Renshaw & Co. Renshaw was born in Kentucky; was found in New Orleans when the city was taken by General Butler; was clerk to Mr. Reed, a brother-in-law of General Butler; was engaged in trading for Hildreth in New Orleans with a permit, (so he says;) was afterwards in New York, and was there solicited by Hildreth to come down to this district and open a store. He came and secured permission to start a store at Ballyback. Hildreth was interested in this store two-fifths, Renshaw two-fifths, and a man by the name of Charles Whitlock one-fifth—though Whitlock put in about all the capital. Whitlock was tried last September before a military commission for trading with the rebels. These proceedings were carried away by General Butler. I sent for them, and they were returned with action upon them; but the action was after General Butler had been relieved, and, therefore, I think is void. Mr. Whitlock, however, has been permitted, since the trial, to continue his business until I stopped him.

By Mr. Washburne:

1406. What was the action of General Butler upon this proceeding?

The commission fined him \$1,000, and sentenced him to imprisonment during the remainder of the war. General Butler remitted the imprisonment, but approved the fine. He stated that he remitted the imprisonment, because since that time the President had authorized the trade to be continued under a general regulation, as I understand, allowing goods to be carried in to the extent of one-third the amount of cotton brought out.

1407. Do I understand that under this finding and sentence of the commission, and the approval of the finding and a portion of the sentence, while the action on the sentence was delayed, Whitlock was allowed to continue on in his business as before?

Whitlock was allowed to continue his business?

1408. Where was Whitlock from?

He was originally from Connecticut. The store at Bernard's mills had as partners McKay and Riddle, of Baltimore, and Mr. Hildreth. Hildreth was there to have one-half the profits, and to put in no capital. The parties said they were willing to pay him that, because of his interest with General Butler. They have since stated with a good deal of candor that since General Butler's removal they did not feel themselves bound by their bargain.

1409. Where is Mr. Hildreth now?

Mr. Hildreth, the second or third day after this commission commenced its investigation, drew his money out of bank and went away. I have not been able up to this time to find out where he is.

1410. Previous to his departure had you summoned him to appear before you?

I think we had not, for the reason that his connexion with this matter had not appeared until after he had gone. He has been summoned since that time, but he did not appear.

1411. Was Hildreth engaged in any other stores there?

I do not know positively that he was. He was supposed to be interested in Lane's last affair. I say, supposed to be, because he was seen on board Lane's steamer, talking with him in an interested manner.

1412. Where did this take place?

As I understand it from a witness, it took place on his steamer before he left Norfolk; and I should also add, that, as my testimony is my best belief, from all the evidence I have had, and from general impression, that Hildreth was interested, more or less, in all the cotton transactions in this department from the Chowan river.

1413. Have you had any information or evidence that he has been down with vessels at any of those stores, or seen talking with rebels there?

I think not.

1414. Where were the goods mostly purchased and taken from that went through the rebel lines in the manner which you have described?

I find that the store which General Shepley permitted at Ballyback had three branches, all of them outside the picket lines; and not only outside the picket lines, but outside our protection: one branch at South Mills, one at Hamburg, and one at Washington Ditch;

and from these three points the goods went directly into the rebel lines. The same may be said, also, of the stores at Coan Jock, at Elizabeth City, and to a certain extent at Gatesville and Edenton.

1415. Were those goods sent out there purchased at Norfolk ?

All of them.

1416. Were there any particular stores here which had the bulk of that trade ?

We have not gone far enough in the investigation to know from what particular parties they came ; I can state this, however, that a very large portion of them came from the large heretofore wholesale establishment of Renshaw, of which Hildreth is half owner. It had four branches within the rebel lines. Hildreth, I think, had two-fifths interest in all these transactions.

1417. Where is Renshaw at the present time ?

He is under guard here.

1418. Do you know of any one true interest of the government which has been subserved by this trade ?

Not in the slightest degree, unless the government considers it for its interest to exchange commissary stores for cotton. If that be so, it can be done, in my judgment, to any extent.

1419. What has been its benefit to pretended loyal families ?

The best testimony we get upon that point is that it has been an injury to the loyal families, inasmuch as they are compelled, when they want anything, to purchase from these irresponsible stores, where there is no competition and no limit to prices ; their best representative, Mr. Brooks, of Elizabeth City, has been before this commission to represent that these stores should be broken up, on the ground that they are a nuisance to the pretended loyal families there, for whose benefit they were ostensibly established.

1420. What is the effect of this trade on the military authorities ?

It cannot fail to demoralize the officers to a certain extent to see such vast rewards accrue from this trade, and from being constantly subjected to temptations by bribery to pass goods through and cotton back.

1421. Will you sum up your opinion of this whole trade business, in all its aspects, as it has been carried on, from your observation and from the testimony you have taken before your commission ?

From my general observation during the war, and from the best testimony in the investigation of this subject at Norfolk, I am of the opinion that the continuance of this trade is merely to supply the rebel armies with subsistence ; that it is of no earthly service to the United States, but of irreparable injury ; that it does but very little if any good to the inhabitants within the sections the stores are established to supply, for it establishes a monopoly from which they are compelled to suffer, for by the regulations within this district, the people living about these stores were not permitted to go to the great source of supply at Norfolk to make purchases ; and in addition to this, the effect I have spoken of it has had upon the military authorities.

1422. You referred, in a former portion of your testimony, to an abstract you might have, of articles shipped from Norfolk ; have you that before you ? If you have, please state in relation to it.

I have before me an abstract of a portion of the goods shipped in the month of December, 1864, to Elizabeth City, which place, it will be recollected, is from fourteen to twenty-eight miles outside our picket lines ; among other things there were shipped to that point in the month of December, 110 barrels sugar ; 110 sacks coffee ; 230 sacks salt ; 120 boxes candles ; 70 boxes soap ; 15 gross ground coffee ; 3 barrels copperas ; 3 cases hats ; 5 casks dried fish ; 10 kegs lard ; 12 gross extract of coffee. These and other articles make up an abstract of the military permits granted during the month of December to go to a place fourteen miles or more outside our picket lines, and from which to the rebel lines there was no earthly obstacle to their passing.

1423. You have spoken of the statement of a Mr. Brooks in relation to this matter ; can you state further in reference thereto ?

Mr. Brooks was a lawyer who lived near Elizabeth City, and having been requested to state the opinion he had formed of the trade from Norfolk into his vicinity, he stated about as follows : " From information regarded by me as reliable, I believe that C. C. Poole has taken from Norfolk to Coan Jock, since his establishment of his business at that place, \$50,000 worth of goods, the leading articles being sugar, coffee, salt, and shoes ; that besides these, other goods have been purchased in Norfolk, by other parties, and on being refused permits to take them beyond the lines, they were allowed to do so under the said permits granted to said Poole, by paying a bonus to Poole & Co. of 25 per cent. upon the invoice prices. The amount so taken, and the parties who took them, as near as I have ascertained, are as follows : W. W. Kennedy, at different times, \$12,000 ; Butt, or Gaskins & Butt, \$10,000 ; W. A. Harney, about \$30,000. The privilege so purchased by Harney

from Poole was not used by Harney to its fullest extent, but \$8,000 of the \$30,000 was sub-let by Harney to Pritchard and Keaton, or one of them. The greater part of the goods taken out by Poole were sold at Coan Jock by such persons as would pay to him the highest prices; that little or none of the salt has been carried west of the Chowan river; that much the largest portion of the sugar, coffee, and candles were carried west of the Chowan river by parties who either bartered for the goods cotton, or sold the cotton and purchased the goods, and that the same have been conveyed to the rebel lines or hospitals; that goods of other character have passed from this store west of the Chowan river, but the material part were designed for, or have been used for, the rebel army; that the goods purchased by Kennedy were taken to Elizabeth City, also those purchased by Harney & Butt, or Butt & Gaskins, and were sold or exchanged for cotton, and with nearly the same result as the sales made at Coan Jock. Much the largest portion of the articles suited for the use of an army, such as coffee, sugar, candles, and some shoes, were conveyed, by the persons so purchasing or bartering for them, within the confederate lines, and for the use of the army or hospitals. There is now, and has been for many years past, little or no cotton produced in the six counties east of Chowan river for export, and the quantity produced there the last three years has been extremely small, nor was there any surplus there at the beginning of that period.

"The effect of the business, as conducted for several months, is very decidedly prejudicial to the indigent and well-disposed citizens of the counties referred to, they being denied the privilege of marketing their supplies at Norfolk, or if not so, they are refused permission to take to their houses even the most scanty allowance for family supplies, upon the ground that the trade store was established for their convenience, and they must trade there; and when they apply to the trade store they are charged three times the price at which a like article can be purchased by retail in Norfolk, and are brought squarely in competition with those who purchase and convey directly beyond or within the confederate lines.

"The majority of the people of said counties who have remained at their houses since the rebellion are quiet and well-disposed towards the federal government, though they have suffered extremely in being inconvenienced and in the loss of property."

1424. What appears in regard to the quantity of salt which has been sent out to these stores?

Salt in enormous quantities appears to have passed into Norfolk from other domestic ports, and to have gone out of Norfolk down the canal. Large numbers of sacks have been seen on the canal banks at night which have disappeared in the morning. And, in fact, the abuse of this system of exporting supplies from Norfolk has been commented on by every intelligent, loyal citizen who has passed through this canal during the last year. I have prepared, from the line of steamers running from Baltimore, a list of goods shipped to the warehouse of Renshaw & Co. during one or two months of the fall of 1864, and among other things, under one date, the 12th November, I find 250 sacks of salt, 50 bags of coffee, 60 barrels merchandise, 3 bales merchandise, 16 hogsheads of sugar, 75 kegs merchandise, and 105 boxes sundries. On the 15th of November, I find 9 cases of dry goods; on the 16th, 57 cases of merchandise; on the 27th, 1 case of merchandise; on the 2d of December, 29 boxes and 40 barrels of merchandise; on the 3d, 60 boxes candles, 100 barrels flour, 11 cases merchandise, 50 boxes cheese, 200 sacks salt, 61 boxes merchandise, 40 barrels merchandise, 112 bags coffee; on the 5th, 160 sacks of salt, 60 barrels sugar; on the 6th, 100 bags of salt; on the 7th, 108 cases boots and shoes; on the 10th, 2 cases boots and shoes; on the 24th, 100 bags coffee; on the 27th, 120 barrels sugar, 10 boxes of axes; on the 29th, 100 boxes candles.

1425. How do you account for this very large amount of salt?

I think because it was greatly in demand, directly and indirectly, for rebel use.

1426. For what purpose?

Indirectly for salting meat intended for rebel use, and directly for exchange for cotton.

JAMES G. HOLLIDAY called, sworn, and examined.

By Mr. Washburne:

1427. What is your residence and business?

My residence is Portsmouth, Va.; I am an attorney-at-law.

1428. Have you at any time since the breaking out of the rebellion been engaged in trade with the rebellious States; if so, at what time, to what extent, and with what parties engaged?

I have been engaged only to the extent to which I have already testified before the military commission of which General Gordon is at the head. I have never consummated any matter of that nature, except that to which I have testified.

1429. Would the testimony that you have given before that commission be the same as that before this committee, if specially examined?

It would be the same.

1430. Are you willing to adopt the examination before the commission of which General Gordon is president as your evidence before this committee?

I am, as far as it goes.

1431. What additions do you desire to make to that testimony?

I desire to put myself right on the record. I should not have testified to anything that transpired beyond the federal lines had I not been apprised of the fact that my testimony would not be hurtful in consequence of testimony already given in. I may state, as explanatory to the testimony given before the commission, that when the steamer Philadelphia arrived in the Nottaway river a rebel guard was placed on board to prevent the steamer from landing, or any persons from going on board. I stated that this was a matter over which Mr. Lane had no control. He was to deliver cotton to individuals, but when she arrived there she was as much beyond his control as she is beyond the control of this committee. I will state further, that this guard was placed there for another purpose, as I understood that there was some feeling of indignation among the people within the lines in regard to this trade, and this guard was placed there to prevent injury to the boat or persons on board, as injury was threatened. I will say here, moreover, in further explanation, that Mr. Lane's contract was exclusively with citizens. I will also say that I have no hesitation in asserting my belief or my knowledge that the citizens with whom Mr. Lane contracted, outside of Mr. Lane and beyond his control, did furnish the cargo they received from him, or a portion of it, to the confederate authorities. I will add further, that I understood, from opinions currently expressed after the investigation at Old Point Comfort in reference to this matter, some months ago, as I understood it, especially as to the testimony of General Shepley on that occasion, that this traffic, if not indulged in by and between the two governments, was winked at by the two governments prior to the passage of the act of July relative to trade in insurrectionary districts. After that period of time I had supposed that the trade was not only rendered legal, but I had information that the government regarded cotton as the bank of the confederacy; that it was regarded as the true policy of the government to withdraw the cotton from the confederacy; if possible; and, as expressed by one person, that if all the cotton was withdrawn from the confederacy the "bottom was out of the tub." Believing, therefore, that this traffic was entirely legitimate, and that the government must have known in procuring cotton that that cotton must come from beyond our lines, I had no hesitation in engaging in the traffic, as I have heretofore stated, and I did engage with Mr. Lane. I do not remember to have examined his papers or seen them. I believe they were in conformity with the treasury regulations. I did believe, and do still believe, from his papers, that he was invested with authority or license to trade up the Chowan river, and I am not sure that its tributaries were not also expressed. From these circumstances I had no hesitation in engaging in the matter, and I am frank to say I was laying the foundations to enter into it on an extensive scale. I was endeavoring to so arrange the matter that cotton could be obtained with money, and not supplies; of course, pecuniary interest was at the bottom of it.

1432. I understand from the testimony which you have given before the commission, that you are engaged in this transaction with Mr. Lane. Do you know whether or not Mr. Lane has testified before this military commission?

I have heard that he had. He told me so.

1433. Have you had any conversation with him?

I have conversed with Mr. Lane. I have felt it my duty to do so before testifying here; for, believing that he is right, I will not voluntarily do anything against him.

1434. How recently have you talked with him?

I think I talked with him the afternoon after he was examined before the commission.

1435. Have you talked with him since that time?

I talked with him yesterday morning. I had a private conversation with him.

1436. With what view was this private conversation with Mr. Lane yesterday morning? Our meeting was purely accidental.

1437. Did you have that conversation with the view of a further examination in reference to this matter?

Certainly; I desired if I could properly state facts favorable to Mr. Lane, to do so. I understood from General Gordon that I would be examined again, and I deemed it my duty to state facts that would be favorable to Mr. Lane.

1438. You say you understood what was the policy at Washington in respect to this trade. How did you understand that?

I have heard that the Secretary of the Treasury and Secretary of State, if not other members of the cabinet, had expressed their opinion that it was the true policy of the government to withdraw the cotton from the confederacy; cotton being the great consideration which gave them weight with other nations.

By Mr. Perry:

1439. Could cotton be obtained there in large quantities without its being exchanged for goods?

In my judgment, it could.

By Mr. Washburne:

What were the considerations which induced Mr. Lane to take you in with him in this trade operation?

I think the object was, on his part, to obtain some one to go through the lines.

1440. For what reason did he select you as that person?

I do not know that I can tell you that.

1441. Had you a large acquaintance in the rebel lines?

I have quite an extensive acquaintance there.

1442. Was that one of the reasons?

I presume that it was. I had been there before, of which fact, I presume, Mr. Lane had been apprised.

1443. Did you go through the rebel lines?

Of course I did. I would state here a fact which is explanatory perhaps of another matter. Of course the committee will understand that I went on passes to Suffolk.

1444. Are there any other facts in regard to this matter which you desire to lay before the committee?

I do not know that there are.

1445. Did you have any difficulty in going through the rebel lines on this business for Lane?

I found none at all.

1446. Do you know of any difficulty in anybody passing from Norfolk into the rebel lines and back again?

At this moment I cannot recollect any difficulty.

1447. Could a man go from here to Richmond and back again without meeting any difficulty?

I do not know about that. I applied to General Shepley to get a pass to go to Suffolk, and he wanted to know my business. I had just engaged with Mr. Lane, and I did not know to what extent I ought to divulge my business to General Shepley. I told him I did not like to state my business. He remarked, "Mr. Holliday, that is a privilege we do not grant to our own officers, unless we know their business." I remarked, in general terms, that I was going as the agent of Mr. Lane. "Ah," said he, "Mr. Lane has a permit to get cotton. Now you are coming to the point. What particular matters do you wish to go there about?" Still feeling some delicacy in going into particulars about Mr. Lane's business, I asked leave to withdraw my application until I could consult with Mr. Lane. Mr. Lane told me to talk with the general freely. I afterwards asked for a pass from General Shepley on my own business, and he refused, but subsequently Mr. Lane obtained it for me.

By Mr. Perry:

1448. Have you been in Richmond since the breaking out of the rebellion?

I have not. I have been to Weldon, and I came very near getting into serious difficulty going there.

The testimony of witness, taken before the military commission referred to, and adopted by him as a part of his testimony before the committee, is as follows:

"Mr. HOLLIDAY was duly sworn by the recorder, and testified:

"Questions by General Gordon:

"Question. State your full name, residence, and occupation.

"Answer. James Gustavus Holliday, Portsmouth, Va.; attorney-at-law.

"Question. Do you know Geo. W. Lane?

"Answer. I do.

"Question. Have you had any business transactions with him within the last three or four months?

"Answer. I have.

"Question. State as fully as possible all the transactions.

"Answer. I engaged with Mr. Lane as his agent. I understood that he had the necessary papers to procure cotton, and that he enjoyed some immunities perhaps under the act of Congress, in consequence of a contract which he had made for the supply of cotton. I engaged as his agent to assist in procuring the cotton, originally at five cents per pound for such cotton as I should furnish under the contract referred to, the understanding being that a power of attorney was to be furnished me from that party. The arrangement was

subsequently, so far as the commission was concerned, valid. Other parties were interested with me in this contract between Lane and myself, so that we shared the five per cent. instead of my receiving it. Mr. Hurst, and, I believe, Mr. Carr, (of Deep Creek,) were concerned in the five per cent. I understood from Lane that his permission was fully complete. I engaged with Lane and partially succeeded in procuring the cotton.

"Question. Tell how you procured it—where, of whom, and when.

"[Under the assurance of the commission that he should be personally secure from any liability on account of the testimony he might give, on the condition that he honestly testified, the witness proceeded as follows:]

"Answer. I saw parties over across the lines. I saw various parties. But the contract for delivering the cotton was made with Mr. Thomas J. Corprew.

"Question. What is his relation to the rebel government?

"Answer. He may have been a contractor.

"Question. He has been in the rebel army, has he not?

"Answer. He was at the time of the evacuation of this place a lieutenant colonel.

"Question. State what the bargain was.

"Answer. Corprew, partly assisted by a friend across the lines, agreed to furnish the cotton, and I, as Lane's agent, or Lane himself, agreed to furnish certain articles upon a schedule of prices fixed.

"Question. Give the articles and the rates.

"Answer. I am too fast. I will say this, that there was a schedule of prices. Mr. Lane did deliver them. I was partly interested in the five per cent., and partly in the profits on the other side. The schedule of prices allowed me a profit. Under the arrangements made there were to be carried out molasses, sugar, coffee, and candles.

"Question. And boots and hats?

"Answer. Not to my knowledge; I did not go with Mr. Lane, and did not examine his cargo.

"Question. Then how did you know they were delivered?

"Answer. I understood they were delivered, and in fact I know. I saw them partly delivered; I stood where I could see.

"Question. Where?

"Answer. Within the rebel lines on the Nottaway river.

"Question. Were you there at the time Lane was delivering his cargo?

"Answer. I was.

"Question. And seeing that the cotton came down for the goods?

"Answer. I was.

"Question. In conformity with the bargain previously made by you?

"Answer. Yes.

"Question. Were any rebel soldiers about there at the time taking charge of the goods?

"Answer. There were rebel soldiers there, certainly.

"Question. Didn't Captain White take charge of the operation?

"Answer. Understand me. Mr. Corprew, a private individual, had charge of the goods. I don't think he acted under any contract, but was a sort of intermediary.

"Question. Did you see Captain White?

"Answer. I did.

"Question. Did you talk with him?

"Answer. I did.

"Question. Didn't you understand from White that those goods were to go to the rebel government?

"Answer. I did.

"Question. Was not the cotton the cotton of the rebel government?

"Answer. The cotton was under the control of the government; it belonged to the government, in short; that was my impression.

"Question. Was it not marked "C. S.?"

"Answer. No.

"Question. Do you not know perfectly well that there is an arrangement they make with parties the other side of the lines, so that you can go across and exchange goods for cotton upon a schedule of prices—cotton for northern goods?

"Answer. I don't know about that; I have no doubt in the world that any articles of production or manufacture, within the rebel States, can be obtained for certain other articles within the lines of the United States forces.

"Question. Did Lane pay any money for this cotton that he got, or was it all paid for in goods?

"Answer. He paid money for a part of the cotton.

"Question. How much?

"Answer. I cannot tell.

"Question. How much cotton was furnished Lane?

"Answer. 1,116 pounds.

"Question. Did not you hear there was more cotton he expected to have, but did not bring goods enough?

"Answer. I didn't hear that.

"Question. Did you make any bargain for a certain number of bales of cotton to be delivered to Lane, for a certain amount of goods?

"Answer. No. There was no definite number of bales until I notified Corprew, so that the cotton might be here; until that, he did not know what the cargo would consist of.

"Question. How long was it, after you notified, before Lane got there?

"Answer. About a week.

"Question. Then you did notify him what the articles were?

"Answer. Yes. I wish to correct my testimony in one particular: I stated that I had no knowledge with regard to boots or shoes or hats, but I did know that the list which I carried out, to show what amount of cotton would be required for the goods intended, mentioned 100 barrels of sugar, 100 barrels of molasses or sirup, 100 boxes of candles, 100 sacks of coffee; I think 500 pairs of shoes, and, if I am not mistaken, 94 pairs of boots, 54 ploughs, as I recollect, and plough castings. The boots and shoes were not under this contract; the shoes were a private matter between Mr. Corprew and Mr. Lane. I believe that money, and not cotton, was paid for those articles; that is my impression. I was across there; I had a portion of the goods removed and a portion of the cotton put on, but I have never been engaged in trade at all. When I got there I found there was an arrangement of which I had previously no knowledge. I remember seeing a bill of goods for shoes not on this list. Mr. Hurst claimed that he purchased these shoes under a contract with Corprew, Corprew to pay him, as well as my recollection serves me, in money, forty per cent. of the purchase-money. How Mr. Hurst and Lane settled that matter I am entirely ignorant. Lane claimed the shoes as his, and Hurst claimed them as his.

"In answer to a question as to what was to be delivered to Lane by the contract, the witness states that on the list he carried with him to Mr. Corprew to have the cotton prepared to be exchanged was a quantity of boots and shoes; that he understood those boots and shoes were the property of Mr. Hurst, who had put them into Lane's cargo that they might be delivered according to a contract, as he supposed, previously made with Corprew. He did not know that Lane himself was interested, and does not know how it was settled, but he thinks money was paid for the boots and shoes.

"Question. About what was the value of these boots and shoes?

"Answer. I don't know.

"Question. Do you know that the articles carried out were the articles permitted to be carried out by the President's letter?

"Answer. I never saw that letter.

"Question. Were they those permitted to be carried out by the treasury agent?

"Answer. I cannot tell; I never saw Lane's papers.

"Question. Then you trusted to Lane's statement?

"Answer. Yes.

"Question. Do you think Lane got any cotton at that trip other than he exchanged for goods?

"Answer. I do.

"Question. How much?

"Answer. I think if he got two hundred and fifty-five bales in all, he got about forty of that for money.

"Question. Have you ever made any other arrangement of this description for other parties from Norfolk before or since?

"Answer. No.

"Question. Your interest is with that party?

"Answer. Lane has not settled with me.

"Question. You are interested in that cargo on board the Philadelphia?

"Answer. I am interested in the payment as agreed with Lane. I was to share with Hurst on the five per cent.

"Question. Were you interested in the boots and shoes?

"Answer. No.

"Question. Did you go on board the boat while there?

"Answer. I did, repeatedly.

"Question. Did you see Captain White there?

"Answer. I did.

"Question. Did you talk with him?

"Answer. Yes.

"Question. Was he interested in this exchange?

"Answer. Not at all, that I am aware of.

"Question. What did he come on board for?

"Answer. Well, it would be hard to tell.

"Question. Did he drink there?

"Answer. White was on board repeatedly. He drank on board repeatedly; and there were other officers there also.

"Question. The officers and agents of the rebel government could come on board at will?

"Answer. The payment was to Mr. Corprew; but whether White had any instrumentality or not, I do not know. The rebel agents could come on board at will. A guard stood to keep persons from coming aboard.

"Question. Then it was by order of the rebel authorities? They would have seized the boat if it had not been for their advantage not to?

"Answer. I think they would."

Mr. THOMAS J. HOBDAY called, sworn, and examined.

By Mr. Washburne:

1449. State how many times a month, since November last, you have passed through the rebel lines.

I think I have been through seven or eight times

1450. State whether you found any difficulty in getting into their lines after you left ours.

There are rebel guards stationed along the lines to look after refugees and deserters. I have been "gobbled up" several times by the rebel guards.

1451. And then they let you go back again?

Yes, sir.

Do you know G. W. Lane?

I saw him once. The only time I ever saw him.

1452. State what you know about his delivering a cargo of goods, and receiving a cargo of cotton, at Murfrees' depot, or near there?

There was a cargo landed there, I believe, in the early part of this year, or the latter part of last year. It consisted of salt, sugar, coffee, molasses, boots and shoes, &c.

1453. Who took those goods?

A man by the name of Corprew.

1454. Had Corprew been in the rebel service?

I believe he has been a colonel in the rebel army.

1455. Did you ever hear that he was a contractor for the rebel government?

There were three or four who I heard were contractors, and he was one.

1456. Have you any doubt that this cargo went to the rebel government?

I have no doubt that a part did; but I know some things did not.

1457. What did Lane get for this cargo?

I suppose he got cotton; I understood he exchanged the cargo for cotton.

1458. Did you see the cotton on the way down?

No.

1459. Do you know Captain White?

Yes.

1460. Is he a rebel commissary?

I have heard that he is.

1461. Did he act as a rebel commissary?

The trade is done in this way: There are a few men they call contractors for the rebels; they contract with outside parties for goods coming this way, and deliver them to Captain White.

1462. Then I understand you that certain rebels would contract to purchase goods, for instance of Lane, to be delivered on the Philadelphia, and when delivered they would hand them over to White, who was the rebel commissary at Murfrees' depot?

That is what I understand.

1463. Do I understand you further to say that you saw the cargo of the Philadelphia disposed of in that way?

I saw a lot of goods they said came out of the Philadelphia.

1464. Could they have got there in any other way except from this vessel?

I do not know of any other way.

1465. Have you any doubt about it?

I have not.

1466. What took place there between the various parties about the time this transaction was taking place?

I was only there about an hour or two.

1467. What did you see?

I saw Corprew taking some marks of molasses barrels.

1468. Who did you see from the Union side?

I did not see any one.

1469. Did you have any conversation with Colonel Corprew?

No, sir.

1470. Did you have any conversation with anybody there?

I had a conversation with Mr. Pretlow, a farmer there.

1471. What was the nature of the conversation between him and yourself?

It was a general conversation in reference to this matter. I testified in reference to it before the military commission.

1472. Have you testified fully in relation to these matters before the military commission now sitting in Norfolk, of which General Gordon is president?

Yes, sir.

1473. Will you make the testimony which you gave before that commission a part before this committee?

Yes, sir.

The testimony of the witness before the military commission referred to is as follows:

“Questions by General Gordon:

“Question. Tell me what offers you ever made to rebel agents, or any parties west of the Chowan river, to exchange northern goods for southern cotton.

“Answer. What do you mean by rebel agents?

“Question. Such men as Captain White.

“Answer. I never heard of any offers which he made.

“Question. Who has made offers?

“Answer. Some parties over there.

“Question. Who?

“Answer. Mr. Corprew, who was a lieutenant colonel in the confederate army. I believe he proposed to give so much cotton for so much bacon—a pound for a pound. They proposed to receive coffee; I think three pounds of cotton for a pound of coffee. They proposed to take sugar, a pound for a pound; molasses, three pounds of cotton for a gallon. I don't know anything about salt, nor hats, nor boots, nor shoes.

“Question. Did Colonel Corprew tell you this?

“Answer. No.

“Question. Did anybody, man, woman or child, tell you this?

“Answer. Yes.

“Question. Who?

“Answer. A man by the name of Wootton.

“Question. What connexion has he with the rebel army?

“Answer. I don't think he has been in the rebel army.

“Question. Is he detailed by the rebel government?

“Answer. I have heard so.

“Question. Do you believe it?

“Answer. I suppose I might believe a thing I have heard.

“Question. Don't they make this statement as if it was a fact?

“Answer. Mr. Wootton showed me a piece of paper that this was the way they traded.

“Question. Whom did he mean by “they”?

“Answer. He meant himself.

“Question. Did he own that cotton?

“Answer. I don't know.

“Question. What do you think?

“Answer. I am pretty well satisfied he did not own the cotton.

“Question. Did the rebel government own it?

“Answer. I don't know.

“Question. What is your opinion?

“Answer. I think they did.

“Question. It is your opinion that he represented the rebel government?

“Answer. I don't know.

“Question. What do you think?

“Answer. I think it is probable the cotton was in possession of the rebel government.

“Question. That he was an agent?

“Answer. I think it is probable that he was connected with the government in some way. I think it is probable he is an agent.

“Question. How much cotton did you ever see exchanged there?

“Answer. Not much more than ten or fifteen bales at a time.

"Question. How much within the last three months?

"Answer. I don't suppose I have seen a hundred bales altogether.

"Question. What is your opinion about any amount of cotton being got that people may want?

"Answer. My opinion is, they can supply any reasonable demand.

"Question. What is your opinion about this colonel, private, and White being put there expressly for the purpose of making exchanges of cotton for northern goods—hats, caps, percussion caps, coffee, or anything they can get?

"Answer. I think it is probable Mr. Wootton is there for that purpose.

"Question. What do you think about the colonel?

"Answer. I think it is probable he is placed there for the same purpose.

"Question. What do you think about White's being there to take the stores that came in and ship them to Richmond?

"Answer. I think it is probable that he is; that is my opinion.

"Question. Why do you think all this?

"Answer. I have no reason, only I have heard such things were being done.

"Question. Did they tell you they would do it?

"Answer. Mr. Wootton told me so.

"Question. Then didn't you think it because he told you so?

"Answer. Yes.

"The witness stated that he thinks so because he heard it from a man whom he thinks to be an agent from the rebel government.

"Question. Now tell what you think about Lane's going up there to exchange goods for cotton?

"Answer. I reckon he did it.

"Question. What do you think about the rebels refusing to give him any more because he hadn't any more goods?

"Answer. My impression is that Lane got the quantity agreed upon, and that he had goods to pay for.

"Question. What is your impression about whether he paid any money?

"Answer. I have no impression at all about it.

"Question. What do you think about it?

"Answer. I don't think anything at all. I never heard that any money passed.

"Question. Tell me what you think about their hauling more cotton than he could pay for, and then hauling it back again?

"Answer. I never thought of it. The first time I went up the impression I had was that Lane was to bring goods enough to take five hundred bales; but when he went there I understood he had goods enough to take two hundred and fifty or two hundred and fifty-five bales.

"Question. Then your impression was that he could not take the five hundred bales?

"Answer. I heard such a thing; probably I might have heard it on the other side of the river. I have heard it somewhere, I know.

"Question. What is your impression as to where you heard it?

"Answer. I might have heard it.

"The witness states that the statement made by Mr. Daniels, to which Mr. Daniels testified, is correct.

"Question. What is your impression that any amount of goods at the rates of exchange you have enumerated can be traded up the Chowan river, on its right bank, for cotton, and what authority have you to so represent it to the people of Norfolk?

"Answer. I think it can be done, and I think so because Mr. Wootton said so.

"Question. Now, what do you think about that being part of your business to make such representations and to get partly paid for it?

"Answer. I never had any offer of the kind.

"Question. Have you made any money that way?

"Answer. No.

"Question. Have you had any offers made to you by others to help them in making that exchange?

"Answer. No.

"Question. Have you had any talk with anybody for their influence?

"Answer. I said to Mr. Daniels if he could get a permit to carry goods up there the arrangement could be made to exchange goods for cotton in any quantity.

"Question. Who else have you told so?

"Answer. A man by the name of Armstrong.

"Question. Did you tell Daniels that \$25,000 would not be a circumstance in this exchange; that \$100,000 would not be much; that there was any quantity of cotton that could be had?

"Answer. I might have told him that; I think it is very likely.

"Question. Will you swear that you did not?

"Answer. No.

"Question. Will you swear you did?

"Answer. If Daniels said I told him so I will swear to it. Yes, I do swear to it.

"Question. Are you a man of property?

"Answer. No; not a great deal.

"Question. How much?

"Answer. I am interested in a piece of land?

"Question. Are you worth five dollars?

"Answer. Yes.

"Question. Are you worth \$5,000?

"Answer. About \$5,000.

"Question. Have you had the privilege of going and coming at all between the rebel authorities and ours without disturbance or molestation anywhere?

"Answer. Not at will. I have had the privilege when ladies wished to go, and they procured a pass.

"Question. Has there been any obstacle to your going?

"Answer. I have never gone without a pass.

"Question. Cannot you go at will? Cannot you get a pass when you want it, and haven't you gone out without ladies?

"Answer. I have never gone without a pass to carry out ladies.

"Question. Who asked you for the pass?

"Answer. The ladies I carried out. I have had a pass as a driver.

"Question. I put the question once more distinctly, so that you may answer it, whether you have not been permitted to go at will into the rebel lines to make arrangements with rebel persons and authorities to exchange cotton for northern goods and other purposes of profit to people on both sides?

"At last, in answer to the question, the witness says as follows:

"I have been permitted to go at will into the rebel lines, and I have been requested by their agents to make arrangements with persons on this side to exchange northern goods for cotton at the rates I have expressed.

"Question. Who permitted you to go into the rebel lines?

"Answer. There is a standing order that parties with refugees may have permission to go there.

"Question. Have you ever been except with refugees?

"Answer. No.

"Question. Are you sure?

"Answer. I am.

"Question. Do they go expressly to make this arrangement?

"Answer. I went for the money they paid for carrying them.

"Question. Did you ever go with the same woman more than once?

"Answer. No.

"Question. Did you ever go expressly to see the rebel agents about this exchange?

"Answer. No.

"Question. But you found it very convenient to talk about it?

"Answer. Yes.

"Question. What do you mean by saying that you always had a permit?

"Answer. I mean they don't object to parties going there with refugees.

"Question. Do you mean that there is a standing order, and that is a permit?

"Answer. Yes.

"Question. How many times have you been through the rebel lines since the 1st of February?

"Answer. Once. I came in last Monday.

"Question. What for?

"Answer. To carry some ladies.

"Question. How many.

"Answer. Two.

"Question. Can they go when they have a mind to into the rebel lines?

"Answer. I have never known them to stop one.

"Question. Then, whenever a lady says she wishes to go, you can take her?

"Answer. No; whenever a lady gets a pass, I can drive for her.

"Question. Did you see any of these rebel men when there the last time?

"Answer. No; Mr. Wootton was not there. I stopped with a man by the name of Pretlow.

"Question. How many times in January?

"Answer. Three or four times.

"Question. How many times in December?

"Answer. I think I went twice.

"FEBRUARY 13, 1865.

"Examination resumed.

"Mr. Hobday, of Portsmouth, was further examined, and made the following statement in relation to the trade from Portsmouth and Norfolk across the Chowan river, in exchange for cotton:

"STATEMENT.

"I have seen passing over the Blackwater river goods in carts, and I have seen cotton coming this side of the river. It was understood generally that a great many goods came from Elizabeth City, and a great many from the trade shores. When I have been out I have always met carts, more or less, going and coming with cotton. I understood that some of the carts came across the river and went to Elizabeth City. I heard so; I understood there was a good deal of trade going on between Elizabeth City and Murfrees' depot. I think I have seen these carts, as many as seven or eight times all together, within three or four months, quite a number of carts each time. I have talked with a great many people about the matter, and they all say there is a great deal of trade between Elizabeth City and Murfrees' depot. I had no interest in the trade, though I expected one. Mr. Wootton told me if I could get some party to give a pass to bring out cotton and carry goods, there could be a good trade in this way. I spoke to Mr. Daniels about it; I had no interest in the matter; I have seen a man by the name of Harney, who had some carts carrying goods, and had some captured. I think a great many goods came over from Norfolk for cotton; I supposed our government authorized it by seeing so many goods go out. These goods began to go over there in November, I think; that was the first time I ever saw any goods on the other side of the river. Sometimes I have met as many as six carts going; they were at the ferry; I think they would average about six or seven carts in a day. I think it is likely they go every day. A great many carry fresh pork, and I have seen hogs going over, and salted pork. They sell their hogs for cotton, with which they buy goods and stores, and with these goods and stores they buy more cotton, which they bring in and exchange for other stores. I don't know half a dozen people on the Blackwater; I have lived in Portsmouth all my life."

JOHN T. DANIELS called, sworn, and examined.

By Mr. Washburne:

1474. Where is your residence?

At Norfolk, Virginia.

1475. How long have you resided here?

I have resided here in the vicinity of two years.

1476. What is your business?

I am now a farmer; I have been a merchant in Norfolk.

1477. What has been the character of your business?

Our business was lumber, coal, groceries, and liquors.

1478. What was your firm?

Zantzinger & Co.

1479. Who were your partners?

Frank Zantzinger and myself.

1480. Have you been engaged in trade in the rebellious States since the breaking out of the rebellion; if so, at what time, to what extent, and where?

I never sold any goods to any one living in an insurrectionary district, except in the neighborhood of Norfolk.

1481. Do you know anything in regard to that trade?

I know something in regard to it.

1482. Have you testified in relation to the case of Lane?

Yes, sir; I gave a statement to Mr. Spear, and I sent a statement to Hon. James Brooks, M. C., which statement I think was sent back here by the Committee on the Conduct of the War.

1483. Do I understand you to say that the knowledge you have is connected with the affair of G. W. Lane?

Yes; I have given that my particular attention.

1483. Will you state what you know in relation to it?

In the latter part of the year 1864 Mr. Lane invited me on board of his steamer, and inquired of me if I desired to go into business where I could make money. I told him that I was doing nothing, and if there was a business I could go into where I could make money without any risk I would go into it. He then said, I will show you what I have. He pulled out of his pocket a paper, and I read it. It stated in substance that G. W. Lane was a person entitled to the confidence of the government, to be allowed to carry into North Carolina, and sell to the citizens thereof, cordage, chains, agricultural implements, &c., to be exchanged for cotton, tobacco, and naval stores, and to be allowed to ship said articles to any northern port. He then went on to say that that recommendation was signed by General Butler and approved by Mr. Lincoln.

1484. Do you recognize what I now hand you, (recommendation of General Butler, indorsed by the President, copied into the testimony of John W. Hogg, question No. 12,) as the paper to which you refer?

Yes; Mr. Lane showed me this privilege he had, and wanted me to visit the enemy's lines and buy cotton for him as his agent. He told me he would give five cents a pound for all I could buy, and that he would give me protection within the rebel lines.

1485. How did he say he would give you protection?

He said he would give me a letter to Mr. White, on the rebel side, who was stationed at Murfrees' depot. He said he would buy cotton and give sterling exchange for it, if necessary, and he showed me sterling exchange to the amount of £18,000. He said that he had the means of taking 500 bales a week. He did not consider his permit worth anything specially, because he did not propose to carry out but few goods. He expected to pay sterling mostly for his cotton. I told him I did not like to go beyond the lines, and referred him to another party whom I thought he could get to go. He applied to that party, and offered him five cents a pound, but he refused to go.

1486. Who was the other party?

J. H. Dobson. Some time had elapsed, and I saw Mr. Hobday. He called on me and asked if I knew Lane. I said "Yes." He said he had been requested to inquire respecting the responsibility or reliability of Lane to carry out a contract he had entered into with White & Wootten. I told him that Lane was down on board his steamer at the wharf. He asked me if I knew anything about the contract. I told him I did not; that I knew Lane had a permit from the President to carry out certain things; that I did not know whether he would use it or not. A day or two after I saw goods going down to the steamer, and in company with Mr. Jones I went down, and saw going on board coffee, salt, and sugar, in large quantities.

1487. What was the name of the steamer?

The Philadelphia. He told me she would carry 500 bales of cotton. We were there in the afternoon, and I think probably she sailed in the morning. Four or five days after that I met Mr. Hobday. He said he had come from headquarters. I asked him if Lane had arrived. He said, "Yes, all right; he had received his cotton." I asked him how many bales he had, and he replied 255 or 257; that he had not goods enough to pay for all the cotton, and that they had to carry a number of bales back, but that he had arrived safely, and would sail in due time.

1488. What did Hobday tell you about matters up there?

He told me he had been instructed by the parties up there, who were agents of the rebel government, stationed at Murfrees', to say to any one who could get a like permit, that they were prepared to exchange any amount of cotton for goods. He showed me a partial schedule of prices. I recollect it was three pounds of cotton for a pound of coffee, or for a gallon of molasses. He said if I would get a permit he would give me a full schedule of all the classes of goods they wanted.

1489. Who did he say he saw when he was through there?

He saw the rebel agents.

1490. What names of rebel agents did he mention?

Major J. R. White, of the rebel service, and a man by the name of Wootten, formerly from Portsmouth, who was stationed here.

1491. What became of the expedition?

The steamer is now at Roanoke island, as I understaud, under seizure by the naval authorities. I felt very cautious about going into the business. General Butler being interested, as I thought, in the contract, I presumed would send me out of the department; and my interests being all here, I did not desire to go.

1492. Why did you believe that General Butler was interested in the venture?

I understood Mr. Holiday, Lane's agent, so; and I learned afterwards that he was interested in all these privileged stores. Captain Johnston, late adjutant general here, was charged some time ago with being connected with other parties in these stores, and with illicit trading. He offered his resignation, and General Butler accepted it. Captain Johnston told me that General Butler would not do otherwise than accept it, for that he was in-

interested in all these ermits. I few nights ago he came to see me at my house, and told me that he had been before this military commission, but that he had not told them all he knew, as he thought they amounted to nothing ; that he thought they could not take cognizance of the matter, as what was done was by General Butler's order ; but that if he could come before a congressional committee he would show that General Butler was a partner in all these transactions, and that he was represented in them by John Sanborn.

1493. What was Johnston's position in the army ?

He was adjutant general to General Shepley. He was charged with being connected with these parties, and just after the investigation at Fortress Monroë the officers told me that he was forced to offer his resignation, or he would have been punished. His resignation was recommended by General Butler. He afterwards told me that General Butler had given him authority as special agent to superintend these trade stores around this district. I am satisfied he was interested in them, because he was a partner in the concern of C. C. Poole. He told me he was a partner in Lane's transaction, and that he had an interest with another party at Elizabeth City.

1494. Did he say how much money he had made ?

He did not tell me. He said that John Sanborn represented General Butler's interest, and that Hildreth was also interested with Lane.

1495. Who is John Sanborn ?

He has something, I think, to do at Fort Monroe. Johnston said the goods were furnished by Nicholas & Co. and Farrington.

1496. Where is Farrington from ?

I think he lived somewhere in Massachusetts before he came here ; he was General Butler's special agent.

1497. How much trade do you know of being carried on under that permit ?

I think two or three hundred bales of cotton were brought in here under it.

By Mr. Perry :

1498. Were you acquainted with Hildreth ?

No, I hardly knew him.

1499. Did you ever see him on board the Philadelphia ?

I did not.

1500. Have you knowledge of his being connected in this business with Lane ?

I recollect now that I have seen him on board the Philadelphia. I went on board one day and Lane said to me, "I cannot see you now ; I have business with my partner." He was then talking with Hildreth.

1501. Did he say who his other partners were ?

No, I do not know who they were, except that Johnston told me that he had one-tenth, and that Sanborn had—I forget the proportion, but a pretty large interest.

1503. This permit of which you have spoken, which was approved by the President, authorized the carrying out of harrows, ploughs, trace-chains, rope, twine, and things of that kind ; did you see any of these articles shipped ?

No, I did not see anything of that kind going on board.

1504. What did you see going on board ?

I saw coffee and molasses in large quantities ; I suppose there must have been not less than 200 sacks of coffee. There were some four or five carts or drays hauling molasses, sugar, and articles of that kind, all day. I did not see any salt myself, but they told me there was salt aboard.

1505. Was there any pork, that you know of, that went on board ?

No, sir ; not that I know. They had boots and shoes and hats, and they told me they had some little pork and bacon both.

1506. Was there any person connected with the government about the boat, to see what was going on board ?

No, sir.

1507. Did there seem to be any restraint whatever ?

None whatever ; I was there myself, and with W. R. Jones sat down on the wharf for two hours, to see what was going on.

1508. Did it attract your attention, or arouse your suspicion ?

I merely wanted to see whether everything that went on board were ploughs, chains, harrows, &c.

1509. Did you ever have any conversation with Mr. Lane about the kind of goods he intended to ship ?

He said that if he could not get anything through in the shape of provisions, he would give them that for their cotton, showing sterling exchange to the amount of 18,000 pounds ; he said that was what they wanted.

1510. In his conversation with you, did he speak of arrangements he had with rebel agents?

Yes; he said everything was all right, and that he would give me a letter to Major White if I would go out.

1511. Did he say he had seen Major White?

He did not say he had, but I presumed that he had from the fact that he said everything was all right.

1511. Then you understood that he intended to use this permit of the President as a cover under which his vessel could pass, and that he intended to load her with whatever he pleased?

Yes; he said that if he could not carry what they wanted, he would carry sterling bills, and that he had the means to bring out 500 bales a week.

1512. How much means would it take to bring 500 bales?

I do not know. He said there were parties through whom he could raise any amount of money.

1513. Did he say anything about government requiring one-fourth of his cotton?

No; he had the privilege of shipping the cotton without paying the 25 per cent.; he only had to pay the internal revenue tax of six cents a pound.

1514. What date was this?

Some time in the latter part of October.

1515. By what means did he propose to avoid the payment of 25 per cent. to the government?

Under a permit to send it to a northern port through Smith & Co. Preston, another party, will testify that he paid Hildreth \$7,000 for shipping a lot of cotton that he had. Hobday told me that if I would get a permit, everything was all right. He said other parties were doing it; that while he sat in Major White's tent six carts drove up with coffee, which they brought from Elizabeth City, and that they were preparing their wagons to go after another load.

1516. How much did the trade amount to which was actually carried on under this permit?

I can only state a general estimate, that they shipped through R. R. Smith & Co. between two and three hundred bales.

1517. Has that been the whole extent of the trade?

O no; that is all I know in respect to the transaction of one person.

1518. Have you any idea how much trade Lane and his partners have actually carried on under that permit?

I have not; I only think they have done a large business. I think they have shipped 1,000 or 1,500 bales. My impression has frequently been attracted by wagons going up the street loaded with cotton.

1519. Did you ever have any other evidence that Hildreth was a partner of Lane except the remark he made to you on the Philadelphia?

It was the common street talk about Norfolk that Hildreth was General Butler's brother-in-law, and that he had things his own way.

1520. What led you to conclude that General Butler was a partner in these transactions?

His manner, and his allowing certain persons to monopolize this entire branch of trade.

By Mr. Washburne:

1521. From your knowledge of the transactions which have been carried on with the people of the rebel States, what, in your judgment, has the entire trade from Norfolk amounted to within the last six months?

For the month of December I feel satisfied there must have been \$1,500,000 worth of goods sent out. They have carried them up there night and day. Barges loaded with provisions have been continually going out, and it is reported that the rebels sent their boats down Chowan river, and just took them off.

G. W. SINGLETON called, sworn, and examined.

By Mr. Washburne:

1522. State your residence.

My former residence was Suffolk. Since the evacuation of Suffolk by the federal forces I came down here, and have been living here since that time.

1523. Have you been trading with the rebellious States since that time?

No, sir; after I came down here, when a civil government was organized, I was appointed city collector. Since General Butler's order, stopping the civil government, I have been doing nothing. At a time when special permits were given for liquor licenses, I obtained one, but when I went down to Fortress Monroe, they stated it was not intended that I

should have such a permit, and took my license from me. I went to see General Butler about it, but he gave me no satisfaction.

1525. What knowledge have you in respect to trade transactions with Mr. Lane?

I have very little knowledge about that; I could have had some knowledge had I known that any investigation would be made about the stoppage of these trade stores. All the information I have now is from hearsay; I have had no transactions with them, directly or indirectly. Mr. Hurst proposed to me to engage with him in trade, under one of these permits, and I told him I believed I would do so. I got on my horse to go up through Currituck, and other counties, in North Carolina; I went as far as South Mills. I had understood General Shepley to say there could be no trade stores established beyond the picket lines, but when I got to South Mills I found I was beyond the pickets, and so I kept on as far as Elizabeth City. I saw that stores were doing business there, but from the statement General Shepley made to me, I declined to have anything to do with the matter.

1526. Did you find a good many trade stores about there?

Two that had been at South Mills were removed to some other place; there was one kept there by a Mr. Abbott. When I got to Elizabeth City, I found there were two stores there.

1527. What forces had possession of Elizabeth City?

It did not seem to be in possession of any forces; either side could come in as they chose.

1528. Were they large stores?

Yes.

1529. What were the articles kept in them?

Dry goods and groceries. I recollect the day I was there a steamboat came loaded with goods. One store was kept by a man by the name of Harney, and another by a Mr. Clark, who had just got in a lot of goods. I stopped there all night; I did not go into Clark's store at all. A gunboat came there, and 47 bales of cotton were rolled out of Harney's store and placed on board.

1530. Could the rebels trade at these stores at Elizabeth City?

O yes; I believe there were eight or nine carts came in the next day with cotton. There was a plenty of cotton there.

1531. Where did these carts bring cotton from?

They brought it from Edenton.

1532. What articles were taken back in return for the cotton?

Sugar, coffee, and such articles.

1533. Where did these articles go to?

- I do not know; these men brought the cotton and carried back goods.

1534. Did you see any rebel soldiers during the expedition; and if so, how many?

- I saw a good many on their way back to the army; some of them had been home on furlough, I understood.

By Mr. Perry:

1535. Were any rebel soldiers guarding property there?

No; I saw no rebel soldiers guarding anything there. When I went on there, I saw two soldiers at South Mills; I was introduced to one of them; I knew his father here, though I was not acquainted with him when he left. They had their cartridge boxes, pistols, and side-arms. When I came back from Elizabeth City I saw them there. I stopped there to dinner, and got into conversation with this rebel soldier; he said he understood I was looking out a place for a store. I said I was looking for a place to locate a store. He said he supposed they were all Union out here; I said, of course, we all had to take the oath. He said they were not there to interrupt business, but to arrest deserters on their way to our lines; that they got \$30 and thirty days' furlough for each deserter arrested.

1535. Then you understood from this conversation you had with the rebel soldier, that it was not their purpose to interfere with this trade, but rather to protect it?

He said he did not intend to interfere with any business I expected to carry on; that he was there to arrest deserters. I learned before I got to Elizabeth City that Captain Lane's boat was up the Chowan delivering goods. I stopped all night. This man remarked that the disposition of the people who carried goods there was not to retail them at all; they preferred to sell them by the quantity.

1536. What was the impression you gathered from what you saw in regard to this trade? Was it carried on to a large extent? Did the rebels get from it a great many articles necessary to supply their army?

My impression was that it must have been a trade which went directly through, for there could not have been such a quantity of goods sold in the neighborhood. I learned from a young man there, who was formerly employed in my store, that they could sell all the goods that could be brought there. I asked him how they got away. He said they

came from across the river and took them. He said it took two or three all the time to sell, and that some nights they were up until eleven or twelve o'clock.

By Mr. Washburne :

1537. Did you see any other rebel troops there than those you have mentioned?

No, sir ; only these.

1538. Did you know of any federal troops approaching while you were there ; and if so, what became of these rebel soldiers?

There came a man running who said, " Damn it, get out of here ; the cavalry are just here now ; if you do not get out, you will be caught." One of them ran into a smoke-house, and the lady of the house locked the door. The cavalrymen did not get off their horses, but went on down to Gatesville. After they had passed he came out.

JONATHAN DICKINSON called, affirmed, and examined.

By Mr. Washburne :

1539. State your residence and business.

I reside in Norfolk ; my business is hardware.

1540. Have you been engaged in any trade with the rebellious States since the breaking out of the rebellion?

I have not.

1541. Have you been trading with any people outside of our lines?

As to that, I suppose I sold a bill of goods this afternoon to go outside.

1542. What goods have you sold this afternoon?

Knives and forks, pins and other hardware.

1543. Do you know of any permits having been granted to anybody to trade?

I do not recollect that I have seen any permits to trade.

1544. Have you had an interest in any such permits?

None at all. I have sold goods to parties who are said to have trade permits.

1545. To whom have you sold such goods?

To Gaskins & Butt, I believe, of Elizabeth City.

1546. When did you sell goods to go to Elizabeth City?

On the 17th and 31st of December, as near as I can recollect.

1547. What kind of goods?

Hardware and tinware.

1548. To how large an amount?

I think the two bills amounted to about \$330.

1549. Were these parties doing business in Elizabeth City?

They had a store open here a few months ago. I suppose they had a store down there. I do not know it, except that they talked of going down there. I never was outside of Norfolk myself, except a few miles. I also sold a bill of goods, I think, to C. C. Poole.

1550. Where is he doing business?

I think at Coanjoek. I think, as near as I can recollect, I sold him a bill of \$131 at one time, and I presume I sold to him on several different occasions.

1551. What other knowledge have you of trade with the rebels?

As to knowledge of trade with rebels, I do not think I have any ; I could quote rumors, but I do not think I have any knowledge.

1552. How long have you been doing business in Norfolk?

Since last spring. I came from New York.

1553. How large a stock of goods have you had?

We commenced with three thousand six hundred dollars ; we now have, I think, a stock of twenty odd thousand dollars.

1554. How many goods have you sold a month?

I could not tell exactly. We came down here as contractors. I think in November and December we sold, perhaps, forty thousand dollars' worth of goods, and some of them were at retail.

By Mr. Perry :

1554. Who purchased goods for this C. C. Poole?

I could not tell you at all ; they reported no names, and I know nothing about them, except as they came in to pay for and order goods.

1555. How did you deliver the goods?

They came for them at the store. The first lot, I think, were marked " C. C. Poole ; " the last lot, I think, were not marked at all. I asked what name to make the bill out in, and they said no name at all. I was afterwards told it was for C. C. Poole. They paid us in money ; they did not pay with check, and I had no clue. I sold this bill of goods as I would not another. General Shepley gave a hint not to sell without permits.

1556. Are many permits brought to you?

Yes, sir.

1557. Who are they issued by?

I think from General Shepley.

1558. Have you sold many goods to go out in that way?

No; I do not suppose we have sold one thousand five hundred dollars' worth altogether to go out in that way.

1559. Do you know Renshaw & Co. here?

I know them by reputation. I do not know that I know Renshaw at all.

1560. Who is understood to be in their firm?

I think Renshaw, Captain Johnston, and C. C. Poole. They are the only ones I know to be in the firm. I am under the impression that another bill, which went to Clark, at Elizabeth City, was marked "C. C. Poole."

WILLIAM G. HARRISON called, sworn, and examined.

By Mr. Washburne :

1561. State your residence and business.

Residence, Norfolk; business, merchant.

1562. How long have you been in business here?

About 28 years.

1563. Have you had any trade with the rebellious States since the breaking out of the rebellion?

I think not; we have sold goods to parties going out.

1564. To what parties?

I think we sold to C. C. Poole & Co.

1565. To what extent?

I suppose to the extent of \$14,000 or \$15,000, and probably more.

1566. At what times have these sales been made?

I think within the last three months.

1567. Have you sold to any other parties than C. C. Poole & Co?

Yes; I sold to Renshaw & Co., and, I think, to Richmond & Co.

1568. What was the character of the goods you sold to them?

Sugar, coffee, fish, cheese, &c.

1569. Did those goods go into the rebel lines?

I do not know; they carried them out to what are called trade stores. I do not know their final destination.

1570. Did you sell them under permits?

We saw no permits, but were told the parties had permits.

1571. Do you know anything of contracts having been made for large amounts of the products of the rebel States, here or elsewhere?

I cannot say that I do.

1572. Have you seen any contracts, to do business in the rebel States, made by any persons with any official of the government?

I saw a pretty big paper—I do not know whether it would be considered a contract or not—about a month ago. I think it purported to be a paper from a gentleman in the Treasury Department by the name of Risley, agreeing to buy from a house in Baltimore, I think, five or ten thousand bales of cotton, five or ten thousand hogsheads of tobacco, and four or five thousand barrels of turpentine, tar, &c. I remember laughing at it as a very big thing.

1573. Who was the party holding this contract?

It was a man from the house, who was in Norfolk. I remember laughing at him for peddling round little trinkets when he had such a big thing in his pocket. He said the thing was not yet consummated. I asked him how he was going to pay for all these goods. He said they would pay for them with sugar, coffee, &c.

1574. What do you know of the amount of goods sold in Norfolk within the last six months to go into the rebel States, or to the trade stores beyond our lines?

I have been unfortunate so far as I am concerned. We got one permit and sent out about \$3,000 worth of goods. We were told that when we had sold \$10,000 worth of cotton we would be entitled to ship goods to one-third the amount. I do not know how many goods have gone out, but I think a right smart amount have gone. I have seen a good many lighter loads of goods start out. I have sold goods I recollect now to W. W. Kennedy, who took them to Elizabeth City.

1575. What was the nature of the goods that generally went out on these lighters?

I think the major part was coffee, sugar, and salt.

1576. Did you see any pork going out?

I did not. I have heard that bacon was sent out, but did not see that.

By Mr. Perry :

1577. Do you know anything about the firm of Renshaw & Co. ?

I sold them a few goods.

1578. Are they doing any business with citizens here ?

They are merchants here. I do not think they have much of the city trade.

1579. Have they a heavy stock of goods on hand ?

I expect they have. I heard that one hundred hogsheads of sugar came on to them in one lot.

1580. Is it understood that the principal business of the firm of Renshaw & Co., of this city, is the furnishing of these supply stores ?

That is my impression.

1581. What has been the effect of opening the port upon the trade of Norfolk ?

It has been a great relief to the people. I do not think the trade has been much greater, the lines not having been extended.

1582. What benefit has resulted from the opening of the port to the people of this district ?

The benefit has been that the goods coming in have been relieved of the four per cent. tax required before the port was opened.

1583. Was not the difficulty of shipping goods through the lines greater before the trade was opened ?

The opportunities to ship goods into the port have been greater, but whether they have been greater to get goods through the lines I do not know. That would depend upon the authorities.

TUESDAY, *February 14*, 1865.

Members present:

Representatives.

Mr. WASHBURN.

PERRY.

Major J. LEWIS STACKPOLE called, sworn, and examined.

By Mr. Washburne:

1584. Have you had anything to do in this department with the trial of persons engaged in unlawful trade with the enemy ?

During last September and October I was judge advocate of a military commission, of which Brigadier General Charles Devens was president, before which were tried six persons for trading with the enemy at South Mills.

1585. State the names of these persons.

Enos Richmond and Ezra Baker were tried together, and also Charles Whitlock, these three composing the firm of E. Richmond & Co.

1586. Where was their establishment ?

Their establishment was at Norfolk. They also sold goods at South Mills, at a branch store kept by a man of the name of Abbott.

1587. During what months did they keep this store ?

During the months of May, June, and July, 1864.

1588. What other parties were tried ?

M. Dudley Bean was tried.

1589. Where was his store ?

His store was at Norfolk. My impression is that he had no regular store at South Mills. He carried goods there occasionally and sold them by himself or agent.

1590. What other parties ?

Logan Hurst. He is a man who lived near Portsmouth, but he had a store at South Mills. Augustus Harney also—a resident of Norfolk who had a store at South Mills—was also tried. These are the parties.

1591. I will ask you what became of these cases ?

The records were forwarded by me to General Butler on or before the 20th of October, 1864. At that time they went out of my possession as judge advocate.

1592. When did you next hear of or see them ?

The next I heard of these papers was on Thanksgiving day. I was at General Butler's headquarters and asked the general if he had received them. He stated that he had, and had referred them to Major Haggerty, who had stayed at the north after General Butler had been in New York. He said he had sent for them, and would attend to them immediately.

1593. When was the next time you saw them?

I did not see the papers at this time; they had not then arrived. I next saw them in General Butler's office at Fort Monroe, at the time he was waiting to sail on the Wilmington expedition. They were then lying on his table.

1594. Had they been acted upon?

They had not.

1595. When did you next see them?

I think I probably saw them there two or three times, as I was often in the office. I saw them afterwards in General Butler's office as he came down from the front after being relieved. General Marston was there; he told me they had been referred by General Butler to him to read over and make a report. He was anxious to know something about them. I had a long conversation with him. They had not been acted upon at this time. General Marston then had them put up and carried by an orderly down to the boat. I think General Marston went north that day, and that General Butler also went.

1596. And carried the papers with him?

Yes, sir. When I next saw them they were franked to me by some clerk of the War Department. I recollect that I gave a memorandum of the case to General Ord.

1597. Had you been requested by him to make an effort to procure the papers?

Yes, sir.

1598. Were all the papers returned?

They were all returned except the case of Dudley Bean.

1599. Has that ever been returned?

I have never seen it.

1600. What was the finding in these cases?

The finding, except in the case of Harney, who was acquitted, was, guilty of some of the specifications in each case. I do not remember whether they were found guilty of all the specifications in any case or not.

1601. What was the sentence?

The sentence has not been promulgated, and I presume I am bound by my oath not to disclose that.

1602. I ask you whether the action in these cases by General Butler was, in your opinion, of any validity whatever?

In my opinion the action of General Butler having been taken after his removal from command, was not valid.

1603. Then what was the action of General Butler in these cases?

The action of General Butler was approving the proceedings, findings, and sentence. It was remitting certain portions of the imprisonment because of the publication of the order of the President legalizing that description of trade.

1604. To the best of your memory was there any date or place appended to General Butler's remarks?

I do not think there was.

1605. It had the appearance, then, of having been made here?

I think it was headed—I am not sure—"Headquarters of the Department;" but there was no date to it.

1606. What had General Marston to do with the cases other than as they were given to him, as to any officer, to overlook?

He had nothing. They were referred, as I understand, to him for a report—for an exegesis of the cases.

1607. I will ask you this general question: From the facts which came before you in these cases, and from the testimony you have been able to procure in this department, what is your impression of the general trade carried on from Norfolk through the enemy's line and with the enemy for cotton?

My impression is that a large trade was carried on with the enemy at South Mills, and at a landing about three miles from South Mills. My impression also is that a majority of the goods taken there found their way into the enemy's lines, and not only into the enemy's lines, but into the hands of rebel commissaries stationed on the other side of Chowan river; that is to say, such goods as were useful for rebel supplies, such as meat, sugar, coffee, &c.

1608. Will you state whether this was done through the agency of military permits granted at Norfolk?

There was no claim in these trials that the goods charged in the specifications were carried unlawfully. They were shown to have been carried by permits granted by Brigadier General Shepley.

1609. Can you form any estimate of the amount of goods carried for such trade during any one month in 1864?

I cannot form any approximate estimate.

1610. What was the rate of exchange for these goods at that time for cotton?

A pound of meat for a pound of cotton. It was proved in the evidence that the rebels had been guarding the Chowan river, and that they allowed no cotton to cross unless they received meat for it at some such rates.

1611. Then this trade, in your judgment, could not have been carried on to any extent without the connivance and assistance of the rebel government?

No, sir, it could not. No doubt some cotton was smuggled across the river by parties on the other side, but the rebel authorities would not allow it to cross in any considerable quantities.

1612. You stated that Bean's case has not been returned. Do you know the reason?

No, sir.

1613. Who is this Bean?

He is a merchant who lives in New York, as I understand. The first I saw of him was when I came to the department on the staff of Major General Foster, in August, 1863. I then saw Bean here, and he was reputed at that time as being in some kind of business here.

1614. Had you a conversation with this Mr. Bean after General Butler had failed to return it?

Yes; Bean came to my office and asked me if any action had been taken upon the proceedings in his case. I told him there had not. He wanted to know what had become of it. He wanted to know if it had been sent down here. I told him no; that the last I had seen of his case it was in General Butler's possession, and that he had carried it away with him.

1615. Did he express himself satisfied?

Yes, sir, he appeared to be very much pleased.

1616. How did you know that the order of General Butler on these papers was not made before he was relieved?

Because I saw the papers after he was relieved, and there was no order on them.

By Mr. Perry:

1617. Did you have any evidence before you, by mark or otherwise, as to the former ownership of this cotton?

There was evidence that some of this cotton was marked "C. S."

1618. From the information that came before you, are you of the opinion that any considerable amount of cotton could have been obtained without the consent of the rebel government?

I think some of it could. Some of it was undoubtedly smuggled across. The larger portion, however, was, I have no doubt, with the consent of the confederate authorities, and in fact the transactions were made with their agents.

1619. From the time of the commencement of these trials, during their progress, and up to this time, as far as you know, have the same parties been allowed to continue the trade?

About a fortnight after the trial I was informed by two detectives that Richmond and Baker had gone down with a load of goods to South Mills, and I have since understood that the trade had gone on, though I know nothing of it personally. I instructed the detectives to investigate the matter and let me have such evidence as they could, as I proposed to try the parties again. I received a telegram from Colonel Sanders, provost marshal, saying they had gone down there. I told General Butler about it and showed him the telegram, and he said he would attend to it.

1620. Have you any information that he ever did attend to it?

No, sir.

1621. Have you any information that after that they went forward with the trade?

I know nothing personally about it at all.

1622. Have you any information in respect to Mr. Hurst continuing in the trade during the time of his trial, and up to this time nearly?

I have not, except by general rumor. I heard that the trade was going on. I have seen these detectives, whom I have sometimes sent for in other matters, and they have told me that it was going on.

1623. As an officer of the government, did you not feel that there was great delay in the department in stopping this trade?

Yes, sir, it was my opinion that there was delay, that it ought to have been stopped, but I did not know where the fault lay.

By Mr. Washburne:

1624. Did you see any difference in regard to this trade after the trial of these men?

The information that I could give as to that is very slight, because I rarely came to

Norfolk, probably not more than once a month, and I know nothing more than what I have heard.

1625. What is your impression and belief from what you have heard?

My impression is that the trade was going on, but that impression was simply based on what these detectives told me.

1626. Where are the various parties who were tried by your commission at the present time?

Mr. Hurst I saw in the other room as I came in; Mr. Whitlock I also saw outside; and I have heard, I think, from time to time in the department of the others.

1627. Do you know where Bean is now?

I do not. I have heard that he was examined within a day or two by this commission, but I have not seen him.

LOGAN HURST called, sworn, and examined.

By Mr. Washburne :

1628. State your residence and business.

I live in Norfolk county, Virginia, and am a farmer.

1629. Have you, since the breaking out of the rebellion, been engaged, either directly or indirectly, in trade with the rebel States; and if so, at what time, to what extent, and with whom connected? Please state fully and particularly in regard to the whole subject.

I do not know that you would consider it trade with the rebellious States. I got a permit from General Shepley to go to North Carolina and purchase cotton. I went and purchased ten bales of cotton and brought it to Norfolk. Dr. E. C. Robinson was connected with me at that time. He received fourteen cents a pound for the cotton I brought into Norfolk for his services here. He did not furnish any money, nor did he do anything outside of the city. I then applied to General Shepley for permission to carry out some goods to South Mills. The application was in writing, over my own signature. It was granted, and I took them out. I disposed of these goods and brought out more cotton. Dr. Robinson also received fourteen cents a pound for this. I then asked for a permit to carry out more goods, which was partially granted, for sugar, coffee, molasses, and some liquors. I brought in the next lot some twenty bales of cotton, which I tried to sell in Norfolk, but could not get what I charged for it. The party I had sold to was Sherman & Co. The proposition was then made that Robinson and Sherman should furnish the money to me. I was to do the business; to go to North Carolina and get the cotton, and they were to receive it; Robinson to receive one-third, Sherman one-third, and I one-third. Under that arrangement I brought in two or three hundred bales, which I obtained at South Mills and the landing about three miles below South Mills. This was at the time within General Shepley's lines, as I understood it. In October, I think it was, I got a summons to appear before General or Colonel Ord. I reported according to instructions, and was sent to the provost marshal, who sent me under arrest to Old Point. I believe Major Stackpole was ordered to prefer charges against me for taking out goods, as they said, by stealth, and smuggling out cotton. I remained under arrest for eight days by order of Major Stackpole, and was released until sent for for trial. They tried me before the military commission of which General Devens was president and Major Stackpole judge advocate. Then I was released from there. I had a lot of cotton which I had previously paid for in money. I did not carry but two lots of goods. I procured this cotton and sold it, and had no further transactions in cotton until last December. Previous to that time, perhaps in June, I was introduced to George W. Lane, who stated that he had the permission of General Butler, probably indorsed by President Lincoln, to bring out cotton and take in goods. He wanted me to engage with him to go down on his steamer. I declined going. I did not like going down on the boat. I told him I knew a man by the name of James who was willing to contract for any number of bales of cotton—who would deliver it on the Chowan river if he could have the protection of the federal authorities on this side. Lane said he could do that. I saw James, and contracted with him to deliver 7,610 bales at South Mills, or such point as should be agreed on, for half a dollar a pound, half in greenbacks and half in North Carolina bank money. I was to be paid five cents a pound for all the cotton delivered under that contract. That was the consideration I made the contract for. Lane urged me very strongly to go on the boat on this trip in December. I told him that I did not like to go; that besides that I had been tried, and that when the decision came to be announced I might be imprisoned. He said he would make that all right with me if I would go. I asked him how he was going to do that. I told him that I had confessed everything before the commission, and that they might find me guilty and imprison me for a long time. He said he would fix that. I asked him how he would do it. He said his influence at headquarters was sufficient;

that the findings of the commission had to be approved or disapproved by the general commanding before they were considered as binding. I asked him who he was. He said General Butler. I told him if he was certain of that fact that I would go on board his steamer for that trip. I heard the other day that the commission sentenced me to two years' imprisonment, and to pay one thousand dollars fine, and that General Butler had revoked the imprisonment but approved the fine. Having consented to go with Lane on this trip, we left here on the 19th day of December. Before I left, however, I told him I wanted to see his papers; that I had got into one difficulty and did not want to get into any more. He showed me his papers. He had passes from General Shepley, also from Mr. Farrington, who was the treasury agent here, which he said were all right and proper. The goods consisted of molasses, coffee, sugar, candles, and some shoes. I saw the clearance of the custom-house and the goods that were on it. There was some delay about the boat going up the river, and it took us a long time to go there. We went out through the canal and up the river to Edenton; there Lane said he expected a gunboat to examine his papers, but we did not see any boat. He said it was probable the boat was higher up the Chowan river. I remarked that I supposed it was not his duty to find guardsmen, but that it was their duty to stop him and examine his papers. He said he would go further up. He had Admiral Porter's letter, stating that officers were to pass him. I think the letter said he did not see any reason why the commanding officers in North Carolina should not respect General Shepley's pass. We proceeded up the river for twenty miles that night, and did not pass any gunboat. The next morning we went on up to our place of destination. I have learned since that it was in the Nottaway river. I took it for granted then that it was the Chowan river. There he stopped, and disposed of his cargo and received his cotton. It was at some small place I do not know the name of. There were several parties who seemed to be interested in the cotton. I believe the principal man was a Mr. Corprew, formerly of this city. He was at one time a colonel in the rebel army. He came on board and made a settlement with Mr. Lane. I asked him to give me a memorandum of the amount of cotton shipped, as I was interested to the extent of five cents a pound. He gave me the following memorandum:

"Amount of cotton to G. W. Lane.....	119,980 pounds.
Cotton for demurrage.....	950 "
Upton.....	770 "
	<hr/> 121,700

Delivered in steamer Philadelphia on the 9th of January, 1865.

T. J. C."

After we got this cargo of cotton on board we proceeded down the river until we met the gunboat Valley City, commanded by a man of the name of Brooks, who came on board and demanded our papers. Mr. Lane and Mr. Upton went aboard with the papers and showed them to Captain Brooks, who said they were all right, but said his orders were to take the boat to Plymouth and report to Commander Macomb. We came there, and Mr. Upton went aboard the boat and showed the indorsement of Admiral Porter, but he determined to detain the boat until he could see the admiral. I went on board the steamer Shamrock, and Commander Macomb gave me permission to return home.

1630. In your first transaction you spoke of Dr. E. C. Robinson being connected with you as your partner; who is Dr. Robinson?

He is a dentist in this city who has been residing here a number of years.

1631. Had he been engaged in this trade prior to this time?

No, sir; I think I brought the first bale of cotton from North Carolina to Norfolk since the rebellion.

1632. What was the consideration that induced you to allow 14 cents a pound to Dr. Robinson?

I met him one day in town; I understood that I could buy cotton in North Carolina. I found that he was on pretty good terms at headquarters. I asked him if he did not think it was possible to bring in a load of cotton. He said he thought it might be done. I told him I could procure the cotton on very reasonable terms, and would give him a consideration to obtain passes. I believe he charged at first more than I was willing to give, but we compromised on 14 cents a pound. He told me he could get it through Adjutant General Johnston, and he did get the passes.

1633. And this 14 cents a pound was for Robinson's aid in getting the passes?

Yes, sir; it was a consideration for his influence.

1634. How much did you pay to Mr. Robinson?

For the first lot \$1,100, and for the next I think \$2,800.

1635. Were these the only sums of money you paid him?

Yes; the balance received by him was obtained by the division of profits, as I stated, in these other transactions.

1636. What articles of goods were carried out in this first transaction?

The first articles carried out were 3,000 pounds of bacon and pork, and the balance in groceries, dry goods, and such articles.

1637. Where did you carry these articles?

To South Mills, about 30 miles from here.

1638. Did you carry any boots and shoes?

I do not believe I did many.

1639. Did you carry any candles?

Yes, sir.

1640. Did you carry any coffee; and if so, how much?

I did. I do not recollect the quantity.

1641. How much sugar did you carry?

I do not know how much. The cargo amounted to between six and seven thousand dollars' worth. I got the goods of Sherman & Co. of this city.

1642. Were Sherman and Robinson partners in this instance?

Sherman was not at all in the first transaction. It was only in the last two transactions that he was a partner.

1643. I understand you to say that Sherman and Robinson in these last transactions furnished the money; did they furnish any money in the first?

No, sir; in the first transactions I furnished my own money. In the last ones Sherman and Robinson furnished the money. If any loss occurred they suffered the loss, and if any money was made I got one-third of the profits.

1644. How much profit did you make out of all your transactions?

In the first one I made about \$4,000. In the next I did not make anything scarcely. If I could have got North Carolina bank money at the rate it was at first I could have made handsomely, but when I came to get it the price had suddenly raised.

1645. How much after Sherman and Robinson were partners?

I could not tell you, from the simple fact that Sherman has all the papers in his own hands.

1646. Was it a pretty large sum?

I suppose \$30,000 or \$40,000. There is some discrepancy in the accounts. I suppose he owes me twelve or fourteen thousand dollars, but he does not think he owes me anything.

1647. And he has the funds in his hands?

Yes.

1648. How large an amount of stuff did you take out to South Mills or thereabouts during the whole time?

I never took out any except these cargoes from here.

1649. Did any of these goods go outside of our lines?

They all went outside; I think the last time there was a raid and the picket lines were extended below, but it was not particularly in that vicinity.

1650. What has become of these articles that you were interested in which went out beyond our lines?

I sold them for cotton; I think most of them went across the rebel lines.

1651. What was the conversation which you had with these traders there; what did they say they wanted this meat for?

They wanted it to trade for cotton.

1652. With whom did they expect to trade; was it with the rebel commissaries upon the Chowan river?

There were rebel commissaries there; a man by the name of J. R. White, whom I knew formerly in this city, was one.

1653. Did you ever see White down at South Mills?

Yes.

1654. What time was that?

It was after the time when I carried goods there.

1655. In whose lines were South Mills at that time?

He said it was neutral ground; it was fifteen miles outside our picket lines.

1656. There were no Union forces there?

No.

1657. What did White come there for?

He came there to partake of some refreshments; there was a little party there of old acquaintances of mine; I did not know that he was to be there at all; I expected Corprew and Carr there.

1658. Who is Carr?

He is a trader who buys meat, &c.

1659. Was not this meeting by arrangement between you and these men?

No, not at all; I merely gave them a fish dinner.

1660. Was not the subject of this trade mentioned?

Not at all; we merely ate fish and drank brandy.

1661. Was not White a rebel commissary?

He came there in citizen's dress; I asked him what he was doing; he said he was stationed at South Key, and that he was a captain in the commissary department in the rebel army.

1662. Was there no conversation at this meeting at all about this trade?

Not a particle.

1663. Is there much of a settlement at South Mills?

It is a little village of twenty-five or thirty houses.

1664. Did you sell any meat to Carr?

Yes; I think I sold him not quite 12,000 pounds. He gave me a pound of cotton for a pound of meat.

1665. Did you ever have any other meeting or conversation with these men within the rebel lines, or on neutral ground, as you call it?

None at all; I have seen persons, who said they were rebels, down there and talked with them.

1666. Did they interfere with you in any way?

One day they did; they wanted to get my money, but they did not do it. There were some drunken men who said they were rebel soldiers. I had greenbacks with me to the amount of \$30,000 which they wanted to get, but they did not.

1667. You have spoken of a trial you had at Fortress Monroe by a military commission: were the specifications founded upon this transaction to which you have testified?

They spoke of smuggling goods; I took them out on a pass from General Shepley. I took them in a lighter which was under the inspection of a proper officer of the post. I then had to report to a Major Smith, at Deep Creek, where some officers examined them and indorsed the pass. Afterwards I had to report again to the outer pickets.

1668. Did you have any difficulty anywhere?

No; I proved before Judge Stackpole that the passes were all correct.

1669. How carefully were the goods examined at the points you have mentioned?

They opened some of the boxes and looked into them.

1670. Did any conversation pass between you in regard to the trouble they were at in making the examination?

No, sir; not at all. It was remarked by a fellow one day, who was drunk, that he wondered how much I paid Colonel Lord to be allowed to carry such things. I told him I had never seen Colonel Lord in my life.

1671. What induced the soldier to ask that question?

I cannot imagine, unless he suspected some corrupt means being used. There had been nothing of the kind.

1672. Did you ever pay anything to any officer for permits?

No, sir; neither directly nor indirectly at any time.

1673. I understand you to say that after the trial you were put under bonds.

I was put under bonds when I came out of prison. I was put in prison before the trial.

1674. Have you been out under bonds ever since?

I gave a bond the last time for \$10,000 to appear there whenever the President or judge advocate or somebody wanted me.

1675. When was that last \$10,000 bond required?

Immediately after the commission rose, when the trial was closed, before I was allowed to go from Old Point.

1676. At what time was this last bond given?

I do not know; I think in October some time.

1677. Then I understand you that after this, and while you were out upon this bond, you went into this arrangement with Lane.

Previous to that time Lane told me if I would go with him he would make it all right.

1678. How did you understand that Lane would make it all right?

It was through the influence at headquarters of Mr. Hildreth, brother-in-law of General Butler.

1679. Did he state that Hildreth was interested as a partner of his?

He told me Hildreth was a partner of his.

1680. To what extent?

He did not say to what extent. He told me, after pointing him out to me at one time, that Mr. Hildreth went to the front one day for the purpose of seeing General Butler about my case.

1681. What did he tell you was the result of the interview?

He did not tell me, and I do not know as I asked him.

1682. Did not you feel sufficient interest to ask?

He assured me all the time that it was all right.

1683. What compensation did Lane agree to give you at the time you went with him upon the Philadelphia, on the 19th of December?

He agreed to give me five cents a pound, and, as a further consideration, to make this matter all right with General Butler. That was the greatest inducement; I would not have gone at all except for that.

1684. Why did you think he could do it?

Because I thought he had great influence with General Butler.

1685. Was the pass they had for this cargo signed by General Shepley in person, or by Johnston?

By General Shepley himself.

1686. Did you see the pass?

I did; I examined all the papers thoroughly before I left. I saw General Shepley's pass; I saw General Butler's and General Palmer's letters; I saw Mr. Upton's appointment by Mr. Farrington. I think that Lane told me Farrington was a partner in this affair.

1687. Who was Farrington?

Farrington signed himself as deputy treasury agent. He received his appointment from Mr. Risley.

1688. From whom did you understand that Mr. Farrington was interested in this transaction?

I think from Lane.

1689. What did Upton do on this trip?

He seemed to have charge of the whole cargo. He attended to receiving the cotton and to discharging the cargo.

1690. You say the cargo was discharged in the Nottaway river. State specifically what took place when these goods went off the boat?

The first party I saw was a gentleman by the name of Pretlow and a Mr. Corprew, who came down there, and seemed to be interested in the goods. They said they would attend to the matter in the morning. The next morning Pretlow, Corprew, and probably Mr. Holliday, came down.

1691. What appeared to be Mr. Holliday's business?

I do not know; he appeared to be there looking on. I have learned since that he was interested with Lane.

1692. Were the goods landed at different places?

The steamer stopped out in the river where there was no landing. They took the goods off in boats, and brought the cotton on in boats.

1693. Who was Corprew?

He was formerly a sergeant here in Norfolk. At the time of the breaking out of the rebellion he was a lieutenant colonel in the rebel army. By an arrangement they had of allowing the company officers of the regiment to elect the field officers he was then dropped, and has not been in the service since.

1694. What position did he appear to occupy at this time?

He said he was acting for himself.

1695. What did he say was to be done with the goods?

He did not say; but I presume he traded with the rebels and got more cotton, except what was sold to private citizens.

1696. What proportion of the goods were sold to private citizens, and what proportion to the rebel army?

I expect a very small portion went to private citizens, but I have no knowledge about that.

1697. What do you suppose was the value of the articles taken out on this trip?

I think there were 100 barrels of molasses, 100 barrels of sugar, 100 bags of coffee, and 100 boxes of candles, besides boots, shoes, and cheeses: I do not know how many.

1698. How many ploughs?

There were ploughs; I do not know how many.

1699. In your judgment, what relation would the value of the goods carried out in greenbacks bear to 100 bales of cotton, in greenbacks?

I suppose the articles carried out would not exceed in value twenty thousand dollars.

1700. Did he not, in fact, procure for the cargo he carried out 257 bales of cotton?

He got that much cotton; I do not know whether he paid money or not.

1701. How many bales did he bring back as the proceeds of this venture?

Two hundred and fifty-seven bales.

1702. Did the cargo, which you took down there at the time you have testified to, pay for the whole amount of cotton?

I think he paid some money; I do not know how much.

1703. You have spoken of a man of the name of Carr; was he engaged in this trade with Lane?

Frederick W. Carr was engaged in the cotton trade; I bought cotton of him in the summer.

1704. Where does he live?

He lives most of the time at South Mills.

1705. Do you recognize the memorandum book which I now hand you?

It contains Carr's handwriting.

1706. State all you know about that book.

All I know about it is this: I got these two books and took them out for Carr. The writing in them is his handwriting; and, by the way, he wants these books very badly.

1707. These are his accounts with the rebel government, are they not?

Wherever the word government is mentioned it refers to the rebel government.

1708. What is that account which appears on these two pages of the book?

I suppose it is what parties owe him.

1709. What is this entry of \$33,700?

That is cotton purchased with North Carolina money last summer.

1710. What was the relative value of North Carolina money with greenbacks?

Two to one I paid for it last summer in greenbacks, here in Norfolk.

1711. Where did you obtain this money?

Sherman & Brothers obtained it for me; some of it in Baltimore, and some of different brokers here.

1712. These transactions, which are stated in this account here, you say you believe to have been made in North Carolina money; what were they connected with?

Trade with our folks on this side of the line. On the other side I do not know anything about it, but I believe the transaction was in confederate money.

1713. Do you know David Wright?

No.

1714. Do you know H. E. Weston?

Yes

1715. Who is he?

He lives in Norfolk, near my house.

1716. Do you know what the item of "Confederate States, \$35,000," means?

No, sir, I do not; unless he furnished supplies to the extent of \$35,000 in confederate money.

1717. What is this in relation to "J. W. & Co.?"

I think he is the man he boarded with. (The following are extracts from the memorandum books referred to, "A" and "B:")

A.		Dr.
C. S. GOVERNMENT,		
1864.		
June 4. To	262 pounds bacon.....	\$917 00
	53 pounds bacon.....	185 50
	464 pounds pork.....	1,508 00
	190 pounds pork.....	665 00
	563 pounds bacon.....	1,970 50
	6 bales cotton.....	\$2,940
	5 sacks salt.....	665
	2,153 pounds salt.....	
	337 pounds pork.....	1,095 25
	50 pounds bacon.....	175 00
	2 pounds yarn, returned.....	120 00
	6,355 pounds bacon.....	22,242 50
	2 barrels—400 pounds pork.....	1,400 00
	8 barrels—1,600 pounds pork.....	5,600 00
July 11.	275 pounds bacon.....	962 50
	10 barrels—2,000 pounds pork, at \$3.....	7,000 00
	127 pounds bacon.....	444 50
	339 pounds pork.....	1,186 50

Cr.

1864.		
Junc 4. By	4 sacks salt, 510 pounds, at 20 cents per pound	\$102 00
	5 sacks salt, 586 pounds, ..do.....do.....do.....	117 20
	1 sack salt, 128 pounds, ..do.....do.....do.....	25 60
	5 bales, 2,225 pounds cotton, at.....	
	3 caddies Nevon Hughes tobacco.....	
	4 boxes Palmetto, 259 pounds, (J. R. W.)	
	2 bales, 885 pounds cotton	
	4 pad yarn, at 60	
	86 pounds sugar, at 2	
	3 bales, 1,308 pounds cotton	
	3 bales, 1,358.....do.....do.....	
	11 bales, 5,041.....do.....do.....	
	1 bale, 434 ..do.....do.....	
	5 bales, 1,903.....do.....do.....	
	1 bale yarn, 50	3,000 00
	Cash bank money, equal in confederate to	3,040 00
	53 bales cotton to Dr. Parker.....	

B.

Dr.

1864.		
Sept. 12.	Asa Statting.....	\$90 00
	F. W. Carr.....	23,742 87
	G. D. Hopper.....	32 40
	T. J. Corprew.....	2,345 00
	Do.....do.....	22 50
	David Wright	180 00
	J. March.....	1,050 00
	H. E. Weston.....	205 00
	Old Miles.....	75 00
	L. Hurst.....	33,300 00
	Confederate States.....	35,000 00
	J. R. White.....	2,908 90
	Jacob Lenow.....	6,500 00
	2 horses and buggy.....	4,200 00
	J. M. Hinton.....	2,700 00
		112,351 67
	Amounts due from various persons.....	4,500 33
		116,852 00
	Deduct impost	48,872 00
		67,980 00
	Due F. W. Carr on account of expenses.....	26,000 00
		41,980 00

Cr.

J. J. W. & Co.:	
Tobacco.....	\$5,372 00
Jesse Eason, cash.....	4,500 00
F. W. Carr, cash.....	39,000 00
	48,872 00
Due F. A. C. on account of expenses.....	26,000 00

1718. These articles marked "C. S. G." are articles he furnished the confederate government, are they not?

Yes, sir; they are credits of articles received—I presume for cotton.

1719. From what points did these articles charged to the Confederate States come?

I believe a good many of them came from this city. A good many were purchased in these six counties of North Carolina.

By Mr. Perry :

1720. Did you see any bales of cotton marked Confederate States?

I saw some marked "C. S. A."

1721. Did any part of this cotton go for the benefit of the United States government?

They paid the regular charges here in this city. I do not know what they were.

1722. Did you not understand that of all the cotton got out since December 1 one-fourth was to go to the United States government?

I have not got out any since that time.

1723. You say that you paid 14 cents a pound to Robinson for the first lot you got out: are you under the impression that any part of this went to other parties?

My impression is, though I never heard any one say so, that another party got some of it.

1724. Who?

I never suspected any particular party till recently. My impression is now that Captain Johnston received some portion of it.

1725. Who was Johnston's partner at the time he left?

I think C. C. Poole and a man by the name of Jones.

1726. Is Johnston a partner in any of the trade stores established beyond our lines?

I understood that he was a partner in all of them. A man by the name of Taylor had a lot of goods he wanted to get out but could not get permission. I asked what C. C. Poole & Co. would charge for allowing these goods to go to them. They said they would allow them to go for one-quarter of the profits. He said at first he would not pay it, but afterwards agreed to do it. Subsequently Johnston said the goods could not go; that there was some misunderstanding about the price; that he was to have one-half the profits instead of one-quarter. After a good deal of negotiation Taylor agreed to give half, and the goods were sent out.

1727. Who granted the permit?

General Shepley, I believe. I do not know that he knew anything about the transaction. Johnston professed to have a pass from Palmer, but it turned out that he had not. The goods were to go to Elizabeth City for the purchase of cotton. They went there by the way of Coanjoek.

1728. After you received this information from Lane in respect to your trial, did you expect to be relieved from your imprisonment and fine?

I expected that the sentence, whatever it was, would be revoked by General Butler, as I understand it was, so far as the imprisonment was concerned.

1729. Were you interested in some boots, shoes and hats on this trip you took with Lane?

Lane told me that if I would bring some shoes he would make it all right with me.

1730. Do you know all the parties interested in that cotton up the Chowan river?

No, sir, I do not. Lane told me he had to make \$10 before he could have \$1 for himself; that Farrington and Hildreth were partners.

1731. Did Upton see White on board the Philadelphia?

Yes; I think he saw the whole transaction. I do not think White transacted any business on board. He knew me and came on board, and we took several drinks together.

1732. Did you see Upton and White talking together?

I do not know that I saw them talking separately. They were all together on board the boat.

1733. How did you introduce White?

As my friend Captain White.

1734. In what service?

I did not say what service, but I supposed they understood that; he had on a rebel uniform.

GEORGE W. LANE called, sworn, and examined.

By Mr. Washburne:

1735. Please state your residence and business.

I reside in Baltimore; I am a trader.

1736. In what kind of merchandise have you been dealing?

I have been a contractor under the government since the war commenced.

1737. To a very large amount?

No, in a small way.

1738. To what amount?

Probably two or three hundred thousand dollars since the war commenced.

1739. Have you at any time, since the breaking out of the rebellion, been engaged in trade with the rebellious States?

I have not with any persons in the rebellious States. I have been engaged in trade as far as the Chowan river, and the counties this side of the Chowan.

1740. Have you testified in relation to this subject before the military commission of which General Gordon is president?

I have.

1741. Do you recollect the testimony you gave before that commission?

I do not know that I do. I answered the questions that were put to me according to the best of my knowledge.

1742. Would you give the same testimony before this committee that you gave before the commission?

If asked the same questions I would.

1743. Will you adopt the testimony given before that commission as your testimony before this committee?

Yes, I would so far as I remember it, except as to some questions asked of which explanation might be required to show the true answer.

1744. Do you wish to make any explanation as an addition to that testimony?

If I could hear the answers I gave read, I could see. I do not know that I desire to make any alterations.

1745. Did you ever receive this note?

(After several minutes' hesitation.) I do not exactly make out what some words are. I do not remember ever seeing it.

The paper referred to is the following:

"OFFICE OF THE ADAMS EXPRESS COMPANY,
" 84 Washington St., Boston, Saturday, April 9, 1864.

"I came on from New York and go back to-morrow. I expect to see you in Baltimore by Wednesday. I trust that you sent steamer so that we may have no delay in starting on arrival at Fortress Monroe and Norfolk.

"Truly, &c.,

"CHIGACO."

1746. Have you any idea whose handwriting it is?

(After hesitation.) I have not.

1747. Have you any idea from whom that came, what it refers to, or anything in relation to it?

No, I think not.

1748. Have you ever had anything to do with anybody connected with Adams Express Co.?

I formerly had some connexion with the company.

1749. Have you ever been in partnership with anybody connected with it?

No.

1750. Have you never had any interest in the company as an agent or otherwise?

With no one who I knew was connected with the company.

1751. Have you no idea to what that note refers?

(After hesitation) I have not; it seems to be something I have no information in relation to.

1752. Do you swear positively that you never saw that before?

I do not remember ever having seen it before. If I ever did I must have been as much at a loss to know what it meant as I am now.

1753. Does it refer to matters of which you have no knowledge?

Not that I can see now.

1754. Were you in Baltimore in April last?

I was.

1755. Does not that note imply that the writer was going to see you in Baltimore?

The note says so.

1756. Did you see anybody from Boston shortly after that note was written?

I do not remember; I have been about the hotels there and may have seen people I do not remember.

1757. Have you had any transaction with any person in Boston?

Not since that date.

1758. Did you before that time?

I used to live in Boston; I have not had since I was in the forage business.

1759. What business were you in at the date this note was written?

I was not in the forage business then.

1760. Did you send a steamer to Fortress Monroe or Norfolk about that time—April, 1864?

I did.

1761. Did that note evidently refer to the steamer you sent?

It might; I bought a steamer in Philadelphia, in the first part of April, 1864. The note refers evidently to just what it says; there is no doubt about that; but the point you wish to come at is, if I know what was intended by it.

1762. Do not you know anything about it?

I do not know anything more than just what it reads.

1763. Do you know the handwriting of John Sanborn?

I think I do; I am not certain; I have had letters from John Sanborn, but that does not look like his writing to me.

1764. Have you had any business arrangements or connexion with John Sanborn within the last twelve months?

I have.

1765. Had you any business with John Sanborn at the time that note was dated?

No, I do not think I had.

1766. Will you swear you had not?

I think I had not, but the date is the point.

1767. Did you have any business transactions with him before that time?

Never.

1768. Do you know what business John Sanborn is in?

I have understood he was an agent in this department; I have heard all sorts of things; I have heard that he was provost marshal of the inland waters of North Carolina.

1769. Do not you know that he has been agent of Adams Express Company at Fortress Monroe?

I do not.

1770. Do not you know of his acting as such agent?

I have heard that he did; I never saw him in that capacity.

1771. Did you ever receive letters from him?

Yes, sir; I have.

1772. Will you state whether or not, according to your best knowledge and belief, that note is in the handwriting of John Sanborn?

I would just as quick say it was in General Gordon's handwriting as in John Sanborn's.

1773. Will you state whether or not that note was not found among your papers which were seized by McPhail, in Baltimore?

I do not know; it might and it might not.

1774. Did McPhail seize papers at that time on board the Philadelphia?

No, sir.

1775. Are you certain he did not?

I am sure of it.

1776. Will you swear to that?

I will; I will not swear that he did not go to my house and break open a room and seize papers there.

1777. Did McPhail seize papers of yours at any time and in any place?

He went to my house in Baltimore and took papers, I believe, from a bureau drawer.

1778. Did not you attempt to get the steamer Philadelphia out of Baltimore at one time without a clearance?

Never; I am positive of that; I can swear understandingly on that point.

1779. Do you know of there being any difficulty about getting the Philadelphia out?

I do know exactly all about that.

The following was shown to witness:

"BALTIMORE, MD., February 15, 1864.

"Memorandum of agreement made between George W. Lane, of this city, and Byron W. Clark, of New York.

"Whereas the said Lane proposes to engage in mercantile transactions in the State of North Carolina, under the authority of the military and treasury departments of the United States, in the way of selling goods and purchasing cotton and other products, and sending the same to market: Now, in consideration of services rendered by said Clark to said Lane, the said Lane hereby agrees to pay the said Clark two-fifths of the net profits on such transactions, after his paying all expenses, and return to him his original capital invested, and also the said Lane is to pay John Sanborn for services rendered by him, which is not to be charged as expenses.

"The said Clark hereby agrees to purchase two-fifths of the goods which said Lane shall take down on the first purchase, provided said Lane shall request him to do so at the original cost.

"Witness our hands this 15th day of February, eighteen hundred and sixty-four.

"G. W. LANE,

"B. W. CLARK."

1780. Do you know anything of that paper?

Yes; I know there was a man by the name of Clark, but I do not seem to remember about that paper, or to have seen it before.

1781. Is that your signature?

Yes, that is my signature.

1782. How did that paper get out of your possession?

I suspect this is one of the productions of that man McPhail that he took from the table in my room.

The following paper was shown to witness:

"Memorandum of an agreement made and concluded by and between Geo. W. Lane, of the one part, and A. M. White, of the other part.

"Witnesseth, that for the consideration hereafter mentioned, the said Geo. W. Lane doth agree to give and pay over to the said A. M. White, of the second part, an equal share of the profits of trading in the products of North Carolina and Virginia, and in the shipping of goods to the same sections of the confederacy, the amounts of profits to be determined and paid after the refunding of the paid in capital to the parties paying in the same; and in consideration of which, the said A. M. White does agree to pay in to the said Geo. W. Lane, for the purpose of trading in the products of North Carolina and Virginia, under a permit from the Treasury Department of the United States government to bring out the said products, the sum of ten thousand dollars, and the said amount of ten thousand dollars to be refunded out of the first shipments of the products of the above-named sections.

"In witness whereof we have set our hands and seals, this 16th day of February, 1864.

"G. W. LANE. [SEAL]

"A. M. WHITE. [SEAL.]"

1783. Do you know anything about that paper?

I do.

1784. Was that signed by you?

It was.

1785. How did that paper get out of your possession?

This man stole it, I suppose; it was in my possession; I do not know how it was taken, when and where. I have no doubt it was taken at the same time the others were, because it was in the same place.

The following was shown to witness:

"Norfolk, February 3, 1864.

"FRIEND LANE: The authority came to hand last evening, all O. K., and the certified copy also.

"I have no news to communicate, but I am expecting some every day. Your friend Mr. T. is here; I will come when necessary, or you can come down if you think best. Did you get the bonds for wife? She can send the money at any moment.

"Your friend,

"B. H. MORSE."

1786. Did you ever see that letter?

Yes.

1787. What do you know about it?

(After several minutes' examination.) I believe it is a paper he wrote me in relation to buying a bond for his wife.

1788. Who is Morse?

He lives here in this place; he has been treasury agent.

1789. What is he now?

I do not know but he is the same now; I see him about here.

1790. From whom does he hold his appointment?

I do not know; I suppose from Washington.

1791. What does this first paragraph of the letter refer to?

It refers to \$1,100 in money his wife had in a savings bank in Connecticut, and which she desired me to put into a \$1,000 United States five-twenty bond. The bank sent a certificate, certified to, instead of the money; she desired that I should buy the bond and pay the money, which I did.

1792. What does "certified copy" refer to?

That was from the bank. They do not pay money when called for at the savings bank, unless they have it on hand; they require some notice. He wrote me that she had got a certificate.

1793. What news does he refer to as expecting every day?

I think that refers to some information that he expected to get at that time from a gentleman who lived out in one of the counties here, who was coming in and was to be introduced to me as an agent to buy cotton; there was something said about such a man. Before Morse was employed in the Treasury Department he went once to Albemarle sound and bought some cotton and made some acquaintances out there; he told me of one there he would introduce me to if he came in.

1794. Had you any business transactions with Mr. Morse?

No, sir.

1795. Was he not interested with you in any shape or form in any of your transactions?

No, not in any shape or form.

1796. He speaks of "your friend, Mr. T.;" to whom does he refer?

I judge that means Mr. Todd.

1797. Who is Mr. Todd?

Mr. Todd was here from New York, formerly from Boston. He once was in trade here in a liquor store.

1798. What was he here for at this time?

He was here, as the saying was, to see if he couldn't grind an axe. I suppose he was here to see if he could not make a dollar.

1799. Do you say that you had no interest with Mr. Morse, directly or indirectly, in any way, shape, or nature?

I have not.

1800. What does he mean by saying "I will come when necessary, or you can come down if you think best?"

It was in relation to the bond.

1801. Was it in relation to coming from Norfolk to Baltimore to see about a \$1,000 bond?

It would seem a little small, but you must make a little allowance in this department for men who have had free passes and expenses paid; they do not put a very high value upon time.

1802. Do you think it would have been worth a journey—even with a free pass—from Norfolk to Baltimore?

I should not want to slander him so much as to say it would; he is a man I have never had any business with any way.

1803. Would not the theory which you now suggest as the explanation of what has been read seem to be contradicted by what follows—"did you get the bonds for wife?"

It seems as if it would, admitting that it would show that the first sentence was intended for some other business, but I never had any other business with him; he may have had some with me.

1804. Have you no idea what that refers to?

(After considerable delay.) It is a pretty evident intimation that he had some authority for me.

1805. Did not he receive some authority for you?

If I can think of any I will tell you. I do not see anything that I have had to do, or any conversation that I have had with him, that would cause him to write that note, the first part of it—"the authority came to hand last evening all O. K." What *can* that refer to? He and his wife both showed me a certificate of indebtedness from the bank, or I cannot say certain whether it was a check or certificate, but this first paragraph does not refer to that evidently; there are two subjects referred to. I do not see what it could refer to.

1806. You knew Mr. Morse?

Oh, yes.

1807. Intimately?

Yes, pretty intimately for a short acquaintance. I have been to his house and he has been to my house in Baltimore.

1808. But you say you have no transaction with him of any kind, shape, or nature?

No, except the transaction I have spoken of in reference to that bond.

1809. Does not that note imply that he had some transaction with you?

It appears to me it does very distinctly.

1810. Did you ever see that letter?

I presume so; I do not know; I might have received it. I do not recognize it in any shape or form as having received it; still I might.

By Mr. Perry:

1811. When did you first go to Baltimore to reside?

In 1861.

1812. Where did you move from?

Boston ; I came there in 1861 ; I do not know when I moved there. I did not bring my family until some time after I came myself.

1813. When did you rent a house in Baltimore ?

I think in 1863. I had boarded at the Fountain Hotel for nearly two years before that.

1814. Were you acquainted with Mr. Hildreth before you came to Baltimore ?

I was.

1815. Were you acquainted with General Butler before you came ?

I had seen him.

1816. Did you ever see General Butler or Hildreth in reference to getting Hurst relieved from charges pending before a court at Old Point ?

I never did either one of them.

1817. Did you never promise Hurst to get him relieved ?

He asked me to do so : I do not know whether I did or not ; I do not think I did.

1818. When you testified before the military commission that you sold the cargo of goods that you took up the Chowan river, about the 15th of December, to forty persons, and received from them your cotton, and that you traded exclusively on the right bank of the river, did you tell the truth or a falsehood ?

I told the truth.

1819. I ask you the general question, if in any transactions in this department, wherein there have been exchanges of goods for cotton, you know of any interest, direct or indirect, present or remote, on the part of any military authority whatever ; if you do, will you state who it is and what it is ?

I do not know of any. It would be no answer to say what I have heard reported. I do not know any, of my own knowledge.

1820. Do you know of any consideration being offered or paid for any military permission granted to you in this department or district ?

No, sir.

1821. Or any consideration to any military officer for influence in this district or department ?

No, sir.

1822. Have you been solicited to give any interest or consideration to any person who you thought would use influence in your favor ?

No, sir.

1823. When you stated in conversation just now that if I would ask you a general question you would make a confession, what did you mean ?

Not exactly that. I was willing to state what I heard, not that I knew anything. I mean that there are parties here who I have reason to believe have paid money, still I do not know it myself. I could give the names of parties and particulars connected with transactions that I have heard, but of which I know nothing myself—merely rumors that I have picked up from time to time in conversation.

1824. Will you state, then, what knowledge you have from general rumor or from being told the same in conversation in relation to the subject of the questions which have been put to you ?

I have learned in that way, so that I think it quite likely that Dr. Robinson has partuers here who have paid the military in this department here for favors.

1825. State their names.

Dr. Robinson has, so far as my information goes, been the prime carrier on and caller for these permits, and done all the business.

1826. State the names of persons in the military service who you have reason to believe have received money.

That was the way the remark I heard was worded, exactly ; whether it was intended for General Butler or General Shepley I had no way of determining. Logan Hurst told me one day that he had paid I forget how many thousand dollars to Dr. Robinson for influence to assist him in getting out cotton, which was to be used with the military, or something in that way. He did not tell me whether it was General Butler, or General Shepley, or some adjutant general, or who, or how. He made that statement to me. I think he told me that it was eight or nine thousand dollars he had paid : that is my impression.

1827. Is that all you believe from general rumor ?

I do not think of anything further now.

1828. Did you say anything to Logan Hurst about General Butler's relieving him from the consequences of his trial, if he would go along and assist you in your last expedition ?

Not a word. I told him I believed he would get a decision. He said, "Cannot you go and see the general, and have a decision made, so that I may know what it is ?" I replied that I could not do anything.

1829. Was not that a part of the bargain you made with him ?

No.

1830. Was Hildreth on board the steamer before you started?

Yes.

1831. What was he there for?

He said he came down there to get some whiskey, because I had better than any one else. He did not say that he came to do any business.

The testimony taken before General Gordon's military commission, adopted by witness as a part of his testimony before the committee, is as follows :

"JANUARY 31, 1865.

"G. W. LANE, after being duly sworn by the recorder, testified as follows :

"Question by Brigadier General Gordon :

"Question. State your full name, residence, and business.

"Answer. George Washington Lane, Baltimore, Maryland; have been contractor with the government since the war, at Washington and Baltimore.

"Question. Do you know the limits of General Shepley's military district?

"Answer. I think I do, but only from general information.

"Question. Have you ever, since General Shepley has been in command of this district, shipped goods, wares, and merchandise, through or from the port of Norfolk, through General Shepley's district, to any place whatsoever; if so, when and where?

"Answer. I shipped from this port a general cargo of goods, through the canal to Albemarle sound and to Chowan county, about the last of June, 1864.

"Question. Is that the only time?

"Answer. Since that time, about the 19th of December, 1864, I sailed from this place, and through Albemarle sound, with goods on board, permitted by General Shepley and treasury agent, to the Chowan river; landed them at Somerton creek and Gatescounty.

"Question. Will you state about the moneyed value of these cargoes?

"Answer. About nine thousand dollars' worth in June.

"Question. The second one?

"Answer. About ten thousand two hundred dollars' worth.

"Question. By whose permit did you ship the first cargo?

"Answer. By the approval of the President of the United States, upon representations made to him by General Butler.

"Question. To whom did you dispose of this cargo and how much of it?

"Answer. About six or seven hundred dollars' worth, and brought the rest back and stored it in this city.

"Question. Did you bring back any of the products of the country at that time?

"Answer. Nine bales of cotton, and between one and two hundred bales of cotton.

"Question. Did you buy this cotton with your supplies?

"Answer. I did.

"Question. Did you carry meat to Edenton?

"Answer. I did—two barrels.

"Question. Whether the transaction at Somerton creek was in conformity with the treasury regulations of September 24, 1864, and the executive order of the President, of the same date, in relation to the purchase of products of insurrectionary States?

"Answer. I do not know those orders by those dates.

"Question. Whether the goods carried to Somerton creek bore any proportion to any products brought by you from any insurrectionary region in that vicinity?

"Answer. The products brought back were 121,640 pounds.

"Question. Under what law, if you know, were you permitted to carry those goods to Somerton creek?

"Answer. Under a general law for the purchase of products of insurrectionary States on government account.

"Question. Does that general law anywhere specify that goods can be carried into any insurrectionary State before the products of that State are brought out; if so, will you point it out?

"Answer. I think it does not read in that form; but it does say, in such parts of States as may be in insurrection, that the treasury agent may appoint places, and there locate agents to purchase the products of the country.

"Question. Will you find in the general regulations inquired of any such instruction, and point it out?

"Answer. I will attempt to find it and bring it in.

"Question. Whether the goods you carried bore in fact any proportion to the products you reported to the treasury agent you had purchased; and if so, what?

"Answer. In the same proportion as eleven thousand dollars would be to 121,640 pounds of cotton brought out.

"Question. How long after you delivered the goods before you brought the cotton out?

"Answer. The agent received the cotton on board before he delivered the goods. The delivery occupied ten days; at the end of that time all the goods were delivered and all the cotton brought out.

"Question. Of how many persons did you purchase this cotton?

"Answer. I should think forty.

"Question. Did you deliver goods to each one of these forty sellers in part payment?

"Answer. I did.

"Question. What protection had you up there?

"Answer. Nothing but the navy. They sent two boats to Winton.

"Question. Did you see any of the rebel forces?

"Answer. I did not.

"Question. Do you know where the cotton was raised that you bought?

"Answer. I think a portion of it was Gulf cotton, from its staple, and a portion in North Carolina, also from its staple.

"Question. Do you think any of it was raised east of the Chowau river?

"Answer. I do not.

"Question. Whether these supplies went for immediate family use, for stores, or where they went?

"Answer. They went for family use, beyond question.

"FEBRUARY 6, 1865.

"*Examination of Mr. Lane continued.*

"Question by Brigadier General Gordon:

"Question. Give your full name.

"Answer. George W. Lane.

"Question. State the first time you ever got any cotton out of the district of General Shepley through any agency or by any means.

"Answer. I bought some cotton in his command the last days of June, 1864, but I didn't bring it to this port; I took it to Newbern. I think the first I brought here was in October, 1864; it might have been in November.

"Question. How much did you bring?

"Answer. I think the first lot was sixty-eight bales; it came in at different times.

"Question. What time in October?

"Answer. I am not able to fix the day.

"Question. By whose permission was it brought here?

"Answer. General Shepley's.

"Question. Of whom did you buy, where, and how did you pay for it?

"Answer. I bought through an agent, at South Mills, and paid for it in North Carolina money.

"Question. Who was the agent?

"Answer. His name was Wallace.

"Question. Where did you get the money?

"Answer. I bought it here in Norfolk; my agent bought some here and some in Baltimore.

"Question. Was there a trading store at South Mills?

"Answer. Not that I know of.

"Question. When did you get out the next lot of cotton?

"Answer. After the other lot—about three weeks.

"Question. How much?

"Answer. Thirty-two bales.

"Question. Where did you get that?

"Answer. At the same place, from the same party, and paid for it in the same way.

"Question. Where did you get the next lot?

"Answer. The next lot was about 150 bales, bought, at the same place, of the same party, and paid for in the same way. I think that wound up the whole affair.

"Question. When did you get that?

"Answer. The last of November or the first of December. I procured it of the same parties and paid at the same rate.

"Question. You furnished the funds, in North Carolina money?

"Answer. My agent did.

"Question. Who was your agent?

"Answer. Purvis & Co., of Baltimore, brokers.

"Question. They furnished Wallace the money, and he bought the cotton?

"Answer. Yes.

"Question. Is that all the cotton you purchased in this district?

" Answer. Yes.

" Question. Was all that purchased by General Shepley's permission?

" Answer. Yes.

" Question. Did you have a treasury permit also?

" Answer. Yes.

" Question. Do you mean to say that all that is covered by the treasury permit?

" Answer. Yes.

" Question. How many treasury permits did you have?

" Answer. Two.

" Question. What was the amount of both of them?

" Answer. There was no amount.

" Question. How many treasury permits did you have to carry out goods?

" Answer. One only under the treasury regulations of September 24, 1864.

" Question. How many bales of cotton did that authorize you to bring in?

" Answer. One hundred.

" Question. Did you bring them in?

" Answer. They are on board the Philadelphia.

" Question. Did that include all the cotton, with what you have spoken of, that you have brought in?

" Answer. No; since then Wallace bought fifty or fifty-two bales more.

" Question. Under what permission?

" Answer. Under a permit from General Shepley to bring it to this port.

" Question. For money?

" Answer. Yes.

" Question. When was it granted?

" Answer. About the 18th of December.

" Question. Did you get any cotton by it?

" Answer. I sent the permit to him and he brought in the cotton, he has told me.

" Question. Where is it?

" Answer. I suppose it to be here.

" Question. You know, don't you?

" Answer. I do not.

" Question. Who does?

" Answer. Wallace.

" Question. Then at the time you got these fifty bales of which you speak the law was in existence that the cotton must be sold to the treasury agent?

" Answer. The military permit was to bring it here to sell to the treasury agent.

" Question. How many permits have you received from General Butler to carry goods into North Carolina or into Virginia beyond our picket lines?

" Answer. I have never received but two.

" Question. How many from General Shepley?

" Answer. One.

" Question. When did you receive this from General Butler?

" Answer. I think it was in March, the 14th, 1864. It was indorsed by the President March 19.

" Question. Did he ever indorse but one?

" Answer. I don't think he did.

" Question. Didn't he indorse one the latter part of December last?

" Answer. I don't think he did. He didn't indorse but one.

" Question. Did it allow you to carry hoop skirts, &c.?

" Answer. No; ploughs, trace chains, and such supplies as might be passed from this post.

" Question. Did you ever make an application to the President to carry cordage, ladies' hoop skirts, &c., into the rebel lines?

" Answer. I never did.

" Question. Are you sure?

" Answer. I don't think I ever did. I never went to see him but once.

" Question. Where is the Philadelphia now?

" Answer. Probably at Roanoke island.

" Question. Have you been down there?

" Answer. Once last and once this year.

" Question. Did these goods go out by permission of the President?

" Answer. Yes.

" Question. They were to go to Chowau county?

" Answer. Yes. The Philadelphia has taken out two cargoes. The second was nine-tenths of the first cargo reshipped.

" Question. Did you carry those goods to Murfree's depot, or near there?

"Answer. I did not. I do not know how near, for I never was up the river before. I did not go myself further than Edenton.

"Question. I wish to know whether that permit was to carry those articles specified hardware and other articles, such as the military commander here might specify?

"Answer. It was.

"Question. Now, under that permit, didn't you carry hats, salt, and army shoes?

"Answer. No.

"Question. Didn't you have a pretty good supply of such things?

"Answer. I didn't have any army shoes at all.

"Question. How much coffee did you carry?

"Answer. About fifteen sacks.

"Question. How much did you bring back?

"Answer. About twelve or fourteen sacks. I carried out about twenty barrels of sugar, and brought back fifteen or sixteen; I carried out twenty-five sacks of salt, and brought back twenty or twenty-two; I carried out eight dozen hats, and brought back four dozen; I carried out six hogsheds of sides, and brought four back. I threw one overboard at Newbern. I think I had about twenty barrels of molasses, and brought back sixteen or seventeen.

"Question. Where did you bring them?

"Answer. To this port.

"Question. Who granted you the permit to carry those specific articles?

"Answer. To the best of my remembrance it was General Shepley.

"Question. That, you think, was covered by the President's permit?

"Answer. I do; the President's permit was in March; the cargo was carried in June.

"Question. That finished that transaction?

"Answer. Yes.

"Question. What did you do with the cotton that you got out in October, which amounted to some 250 bales?

"Answer. Shipped it to New York.

"Question. At that time the law was in existence requiring that to be sold by the treasury agent here, was it not?

"Answer. Yes, that must have been, since the treasury agent was established here.

"Question. Why was not that cotton sold in conformity with the regulations of the treasury agent here?

"Answer. Because that cotton was delivered to me on a contract for a quantity of cotton that I bought of James G. James the 10th of June last, and so was not subject to all the taxes that the cotton bought since was subject to, or even before.

"Question. Who is James G. James?

"Answer. He lives in North Carolina.

"Question. A rebel?

"Answer. No.

"Question. Does he live in the rebel or the Union lines?

"Answer. He lives inside our lines.

"Question. You made the contract with him here in Norfolk?

"Answer. Yes.

"Question. In writing?

"Answer. Yes.

"Question. Where is it?

"Answer. Amongst Macomb's papers.

"Question. When did you make it?

"Answer. About the 10th of June.

"Question. What did you contract to do?

"Answer. To take from such a quantity of cotton.

"Question. What quantity?

"Answer. Three million pounds.

"Question. How many bales would that be?

"Answer. About 7,600.

"Question. You agreed to do what?

"Answer. To pay him so much a pound when delivered.

"Question. Where was he to deliver it?

"Answer. In any region of country between South Mills and Suffolk.

"Question. Did you make a payment on the contract?

"Answer. I made a payment on account.

"Question. Did you suppose that would cover the whole three millions?

"Answer. I supposed it would be enough to make the contract valid. (The witness

further stated that he made this contract with James G. James in Norfolk, who said he owned the cotton, but didn't tell him where it was.)

"Question. You delivered your cotton before you got the goods?

"Answer. Yes, all done within ten or fifteen days.

"Question. For that you have a treasury permit?

"Answer. Yes.

"Question. And you carry out exactly the goods therein specified?

"Answer. Yes.

"Question. This permit to carry out goods was given before you got the cotton in?

"Answer. It was given in Norfolk before I got the cotton in, and was given into the hands of the agent. This treasury permit to carry out goods was put into the hands of a treasury agent, and anticipated the fact of my getting out cotton, who was instructed to give it to me, so that I could get the cotton. I represented that I had the cotton, which I did.

"Question. Was there any military permit to carry out these goods?

"Answer. Yes, on the same paper.

"Question. Did you deliver any of these goods to one J. R. White?

"Answer. I did not.

"Question. Did you ever see him?

"Answer. No.

"Question. How many bales of cotton did you get?

"Answer. I got two hundred and fifty-seven.

"Question. Your permit calls for a hundred. How came you to get more?

"Answer. I bought that with money.

"Question. Have you turned that over to the treasury agent?

"Answer. No.

"Question. Did you intend to?

"Answer. Yes.

"Question. Did you know that this was cotton that belonged to the rebel government?

"Answer. No.

"Question. You knew that it came in confederate wagons?

"Answer. No, I didn't see any wagons; it was brought in boats.

"Question. Have you been a commission merchant for getting cotton shipped to New York?

"Answer. No.

"Question. Have you received any money from R. B. Smith for shipping it?

"Answer. No further than shipping on my own contract.

"Question. What did Smith pay you for?

"Answer. He was part owner in the affair.

"Question. Then you are not alone?

"Answer. I was alone on the James contract.

"Question. What interest did Smith have?

"Answer. Such a portion of the of profits that part that we bought on joint account.

"Question. Did Mr. Hildreth have an interest?

"Answer. No.

"Question. What was Smith's interest?

"Answer. On the part which he might find money to pay for and that I might bring in. It would take a good deal of money to pay for half a million pounds.

"Question. Then you mean to say that, having contracted to purchase three million pounds of cotton, to be delivered at South Mills or Suffolk by one James, in Norfolk, you also agreed to allow one Smith, of Norfolk, a certain interest in proportion to the amount of money that he could furnish and pay for?

"Answer. That was the arrangement with Smith.

"Question. How much money did Smith furnish?

"Answer. He furnished enough to buy that quantity of cotton that was brought in.

"Question. How much?

"Answer. I think probably about two hundred and fifty bales.

"Question. Did he furnish all the money?

"Answer. On that I have not got the cotton that I bought.

"Question. Did Smith furnish all the money that was furnished to pay James at South Mills?

"Answer. He did, all of the lot spoken of.

"Question. Why was it not Smith's cotton, and not yours?

"Answer. He furnished the money, and I bought it under a contract.

"Question. Then are you not a commission merchant?

"Answer. I don't call it so.

"Question. Then you got a contract to buy cotton of James, and you got Smith to furnish all the money, and he paid for all the cotton on your contract?

" Answer. Yes, so far as he had the cotton.

" Question. That was all that was delivered in Norfolk and sold in New York?

" Answer. Yes.

" Question. Why didn't Smith do this business himself?

" Answer. So far as I know, it was because he thought I was a better judge of cotton and of business than he.

" Question. Were the goods that went back Smith's?

" Answer. They were mine.

" Question. How much money did you make out of the contract with James and the money furnished by Smith?

" Answer. About \$2,000.

" Question. Is that all?

" Answer. We lost considerable, but taking the whole we made my share was about \$2,000.

" Question. Who was interested besides Smith?

" Answer. A man by the name of Lockwood.

" Question. Who else?

" Answer. I think that is all of that firm. I think they took in a man by the name of Solon Fisher.

" Question. Did Hildreth have an interest in it?

" Answer. No.

" Question. Didn't Smith & Co. make this contract with James?

" Answer. No, it was my contract.

" Question. You got the permission to bring it in from General Shepley?

" Answer. Yes.

" Question. You considered that of value?

" Answer. I did, indeed. I do now.

" Question. What did you pay for permission to bring in that cotton?

" Answer. Nothing.

" Question. What?

" Answer. Nothing.

" Question. Do you know E. L. Bishop?

" Answer. I cannot locate him; the name sounds familiar.

" Question. Do you know C. L. Cole?

" Answer. I know a Cole, president of a bank.

" Question. Are you still of the impression that that transaction, so far as the United States is concerned, was a fair one?

" Answer. There is no question about it; I shall be able to show that.

" Question. For whom else, within the department of General Butler or General Shepley, have you acted in the same manner as with Smith?

" Answer. With Cole.

" Question. Had he an interest in the same lot of 250 bales shipped to New York?

" Answer. No.

" Question. What lot?

" Answer. The lot of about fifty bales.

" Question. Where is that lot?

" Answer. I don't know; I suppose it is here.

" Question. Was that bought of the same man, James?

" Answer. Yes, under the original contract, so far as I know.

" Question. Have you ever shipped any cotton for a man named George H. Johnston?

" Answer. No.

" Question. Any for J. C. Jones?

" Answer. No.

" Question. Sherman & Brothers?

" Answer. No; in fact, not for any one else.

General GEORGE H. GORDON recalled and examined.

By Mr. Washburne:

1832. Do you know John D. Sanborn?

Yes.

1833. Where does he reside, and what is his business at this time?

I do not know; he has been in this department. I have heard that he has been appointed a provost marshal, but as he is not a commissioned officer I do not know. He has frequently travelled between Baltimore and Fortress Monroe. I find in this examination that he had

an interest in the store at Coan Jock, which he said was a losing thing, and he made application to me to let him have a portion of the goods to enable him to get out of it.

1834. Was he connected with Adams Express Company?

He said he was.

1835. Do you know his handwriting?

I have a letter before me signed J. D. S., which I believe to be from J. D. Sanborn.

1836. Will you compare the handwriting of that letter with that of the note I now hand you, (note signed "Chicago," quoted in testimony of last witness,) and state whether you believe them to be in the same handwriting?

I have not the slightest doubt of it.

SATURDAY, February 18, 1865.

Members present :

Representatives.
Mr. WASHBURN,
ELIOT,
LONGYEAR.

HANSON A. RISLEY called, sworn, and examined.

By Mr. Washburne :

1837. What is your position and residence?

My residence is the city of Washington. My position is that of supervising special agent of the Treasury Department, assigned to duty in what is called the seventh agency, and such other duty as may be from time to time committed to me.

1838. How long have you occupied that position?

Since April, 1863.

1839. What is the other duty you refer to?

References in the department of any matter that the Secretary supposes I can attend to. For instance, I have had supervision of the printing bureau for a time. I have had claims and legal questions referred to me for examination, and report; and more recently I was authorized to purchase the products of insurrectionary States, under the law of July 2, 1864.

1840. Where is this seventh district?

It comprises Virginia and the six counties of North Carolina between Chowan river and Albemarle sound.

1841. Where are the headquarters of the district?

The headquarters may be said to be in the department at Washington. The locality named for purchase of products is Norfolk.

How long since you have had authority to purchase the products of insurrectionary States?

Since late in October, I think.

1842. Have any regulations been gotten up by the Treasury Department on that subject?

Yes, sir; the following are the regulations, which have been published :

General regulations for the purchase of products of the insurrectionary States on government account

" I. Agents shall be appointed by the Secretary of the Treasury, with the approval of the President, to purchase for the United States, under special instructions from the Secretary of the Treasury, products of States declared to be in insurrection, at places hereinafter designated, or that may, from time to time, be designated as markets or places of purchase.

" II. The following places are hereby designated as such markets or places of purchase, to wit : New Orleans, Memphis, Nashville, Norfolk, Beaufort, N. C., Port Royal, and Pensacola.

" III. Before entering upon the discharge of their duty, each of the agents so appointed shall execute a bond, with sureties in the prescribed form, in a penal sum to be fixed by the Secretary of the Treasury, conditioned for the faithful discharge of his duty, and that he shall not engage, directly or indirectly, in the purchase of products on private account, nor be, in way, interested in the products purchased by him, or the proceeds or profits arising therefrom.

" IV. The price to be paid for any of the products so to be purchased shall be agreed upon between the seller and the purchasing agent, but shall in no case exceed the market value thereof at the time and place of purchase, nor exceed three-fourths the market value thereof in the city of New York, according to the latest quotations known to the agent purchasing, at the date of the delivery of the products, less a sum equal to the internal revenue tax, and the permit fee prescribed in the regulations concerning commercial intercourse dated July 29, 1864, and also subject to such other deductions to cover transportation, insurance, and other expenses, and to such arrangements for payment as may be prescribed in special instructions to the several purchasing agents.

" V. The proceeds of all sales made by the several agents, together with such funds as

may be transmitted by the Secretary of the Treasury, shall be deposited in the most convenient depository, to the credit of the "purchasing fund," to be disbursed as hereinafter directed.

"VI. Proper instructions shall be given whereby daily quotations and prices current in New York shall be forwarded to the several agents and to the collector and surveyor (as the case may be) of customs at the several markets or places of purchase, by mail, every day, or as often as there shall be mail communication with such agents and collectors or surveyors.

"VII. The purchasing agent shall, to the extent of the funds at his command, and in pursuance of his instructions from the Secretary of the Treasury as to price and terms of payment, purchase all products offered to him of the character or description which, by such instructions, he is authorized to purchase; but no liability of any character shall be authorized or assumed by any agent for or on account of government previous to the actual delivery of the products, other than a stipulation, in the form hereinafter prescribed, to purchase products owned or controlled by applicants, at a price to be agreed upon at the place and date of delivery.

"VIII. Whenever any person shall make application to the purchasing agent, in writing, setting forth that he owns or controls products, stating the kind, quantity, and location thereof, or the date at which they will be delivered at some specified location accessible to transportation, the purchasing agent, if authorized by special instructions to purchase such products, shall give a certificate that such application has been made, and request safe conduct for such party, with the necessary transportation, to the locations specified, and for himself and products in transitu from the points named to such purchasing agent.—(See Form No. 1, appended to these regulations.)

"IX. Parties having sold and delivered products shall, upon their request, be furnished by the purchasing agent with a certificate of the facts, which certificate shall state the character and quantity of the articles purchased, the price paid therefor, the aggregate amount of payment, the place whence and the route by which it was transported.—(See Form No. 2, appended to these regulations.)

"X. All bills or invoices of purchase shall be made in triplicate, after the products purchased shall have been actually delivered to the purchasing agent, their weight, quantity, and rating ascertained and determined by sworn weighers, measurers, or experts; and such bills or invoices shall be certified thereon, as to their correctness, by such sworn weigher, measurer, or expert, and the whole, as to prices and other stipulations expressed therein, certified by the purchasing agent, together with the date of the latest New York quotations known to the agent at time of the purchase.

"The products, with such triplicate bills or invoices, shall then be delivered to the collector or surveyor of customs as the place of delivery, who, on satisfying himself of their correctness, and that the products correspond with the statement set forth in the bills or invoices, shall indorse thereon, over his own signature, a certificate of the facts, which certificate shall authorize payment of the bills to be made by such depository or other disbursing agent at such time and in such manner as shall have been agreed upon, in writing, between the purchasing agent and seller, taking care to authorize payment at a date sufficiently remote to be certain the proceeds therefrom may be realized, and such bills, duly receipted, shall be paid by the depository or disbursing agent named in the certificate as therein stipulated. One of the triplicates so paid shall be immediately transmitted to the Secretary of the Treasury by the disbursing officer, one retained by him, and the other transmitted to the First Auditor, with his monthly account, for settlement.

"XI. Purchasing agents shall keep a full and accurate record of all their transactions, including the names of all persons from whom they make purchases, the date of the purchase, a description of the products purchased, the quantity thereof, specifying the number and character (whether bundles, boxes, hogsheds, or hales,) of packages, and their weight, if in pounds or gallons, if in liquids, &c., and their quantity, as ascertained and certified to by sworn experts, weighers, &c. A transcript of this record will be transmitted to the Secretary of the Treasury on the first day of each month.

"XII. Sales of products so purchased may be made weekly, at public auction, to the highest bidder, after due notice, at Memphis and New Orleans, and other places hereafter designated by the Secretary of the Treasury, not exceeding in quantity one-fifth of the amount received during the previous week, unless, in the opinion of the purchasing and disbursing agent, and the collector or surveyor, (as the case may be,) the condition of the purchasing fund shall require larger sales than one-fifth; then sales of such further quantities as they may determine to be necessary are hereby authorized, but, in no case, in such amounts as unduly to affect the market. Such additional sales, and the reason therefor, must be promptly reported to the Secretary of the Treasury.

"XIII. The sales herein authorized shall be made by or under the direction or supervision of the purchasing agent, or an agent specially authorized by the Secretary, and all products

so sold shall be delivered by the collector or surveyor (as the case may be) to the parties purchasing them, upon the presentation to him of the bill of sale, certified by the agent, designating the lot, character, and quantity of the products sold, and the price and amount to be paid therefor, together with a certificate from the depository that the proceeds of such sale have been duly deposited with him, and the products so sold shall be allowed transportation to any desired port or place, in a loyal State, free from the payment of any taxes or fees other than such as have been paid under Regulation IV.

“XIV. Any person bringing products for sale to the purchasing agent, desiring to repurchase and transport the same to a loyal State, may give notice thereof at the time of making sale to the purchasing agent; and the agent may, after they have been rated, weighed, &c., as provided above, sell and dispose of such products to the party applying, at prices not less than the market rates at the place of purchase, nor less than the last quotations from New York known to the purchasing agent at the date of the transaction, from which shall be deducted a sum equal to the reduction of purchase price, which may have been made by the agent to cover transportation and other expenses.

“The products so sold shall not be resold, either at public or private sale, until after transportation to a loyal State, or to a foreign port, and shall be liable to forfeiture for breach of this regulation. All products purchased by purchasing agents, the sale of which is not provided for in these regulations, shall be disposed of in such manner as may be directed by the Secretary of the Treasury.

“XV. All products of insurrectionary States which the purchasing agent is authorized by his instructions to purchase, moving with or without a permit, shall, on arrival at a place where there is a purchasing agent, be sold and delivered to him, except captured and abandoned property, and such as may have been produced within the lines of actual occupation by the military forces of the United States, by the labor of the person transporting, or of freedmen or others employed and paid by him, pursuant to rules relating thereto, established under proper authority, or such as were purchased under proper authority prior to July 2, 1864, and were being transported in conformity with the regulations of the Secretary of the Treasury.

“W. P. FESSENDEN,

“Secretary of the Treasury,

“WASHINGTON, D. C., *September 24, 1864.*

“EXECUTIVE MANSION,

“September 24, 1864.

“The foregoing rules and regulations of the Secretary of the Treasury, having been seen and considered by me, are hereby approved.

“ABRAHAM LINCOLN.

“FORM NO. 1.

“I, A——— B———, agent for the purchase of products of insurrectionary States on behalf of the government of the United States at ————, do hereby certify that I have agreed to purchase from C——— D———, of ————, ————; which products, it is represented, are, or will be, at ————, in the county of ————, in the State of ————, on the ———— day of ————, 186—, and which he stipulates shall be delivered to me, unless prevented from so doing by the authority of the United States.

“I therefore request safe conduct for the said C——— D———, and his means of transportation, and said products from ———— to ————, where the products so transported are to be sold and delivered to me, under the stipulation referred to above, and pursuant to regulations prescribed by the Secretary of the Treasury.

“A——— B———.

“FORM NO. 2.

“I, A——— B———, agent for the purchase of products of insurrectionary States on behalf of the government of the United States at ————, do hereby certify that I have purchased of C——— D———, of ————, ———— of ————, at \$——— per ————, and that there has been paid him for the same \$———, and that the said ———— was transported from ———— by way of ————.

“A——— B———.

"Executive order relative to the purchase of products of insurrectionary States.

"EXECUTIVE MANSION,

"September 24, 1864.

"I. Congress having authorized the purchase for the United States of the product of States declared in insurrection, and the Secretary of the Treasury having designated New Orleans, Memphis, Nashville, Pensacola, Port Royal, Beaufort, N. C., and Norfolk, as places of purchase, and, with my approval, appointed agents, and made regulations under which said products may be purchased; therefore,

"II. All persons, except such as may be in the civil, military, or naval service of the government, having in their possession any products of States declared in insurrection which said agents are authorized to purchase, and all persons owning or controlling such products therein, are authorized to convey such products to either of the places which have been hereby, or may hereafter be, designated as places of purchase, and such products, so destined, shall not be liable to detention, seizure, or forfeiture, while in transitu or in store awaiting transportation.

"III. Any person having the certificate of a purchasing agent, as prescribed by Treasury Regulation VIII, is authorized to pass, with the necessary means of transportation, to the points named in said certificate, and to return therefrom with the products required for the fulfilment of the stipulations set forth in said certificate.

"IV. Any person having sold and delivered to a purchasing agent any products of an insurrectionary State, in accordance with the regulations in relation thereto, and having in his possession a certificate setting forth the fact of such purchase and sale, the character and quantity of products, and the aggregate amount paid therefor, as prescribed by Regulation IX, shall be permitted by the military authority commanding at the place of sale to purchase from any authorized dealer at such place, or any other place in a loyal State, merchandise, and other articles not contraband of war, nor prohibited by the order of the War Department, nor coin, bullion, or foreign exchange, to an amount not exceeding in value one-third of the aggregate value of the products sold by him, as certified by the agent purchasing; and the merchandise and other articles so purchased may be transported by the same route and to the same place from and by which the products sold and delivered reached the purchasing agent, as set forth in the certificate; and such merchandise and other articles shall have safe conduct, and shall not be subject to detention, seizure, or forfeiture while being transported to the places and by the route set forth in the said certificate.

"V. Generals commanding military districts and commandants of military posts and detachments, and officers commanding fleets, flotillas, and gunboats, will give safe conduct to persons and products, merchandise, and other articles, duly authorized as aforesaid, and not contraband of war, or prohibited by order of the War Department or the orders of such generals commanding, or other duly authorized military or naval officer, made in pursuance hereof; and all persons hindering or preventing such safe conduct of persons or property will be deemed guilty of a military offence, and punished accordingly.

"VI. Any person transporting or attempting to transport any merchandise or other articles, except in pursuance of Regulations of the Secretary of the Treasury dated July 29, 1864, or in pursuance of this order, or transporting or attempting to transport any merchandise or other articles contraband of war, or forbidden by any order of the War Department, will be deemed guilty of a military offence, and punished accordingly; and all products of insurrectionary States found in transitu to any other person or place than a purchasing agent and a designated place of purchase shall be seized and forfeited to the United States, except such as may be moving to a loyal State, under duly authorized permits of a proper officer of the Treasury Department, as prescribed by Regulation XXXVIII, concerning "Commercial Intercourse," dated July 29, 1864, or such as may have been found abandoned, or have been captured, and are moving in pursuance of the act of March 12, 1863.

"VII. No military or naval officer of the United States, or person in the military or naval service, nor any civil officer, except such as are appointed for that purpose, shall engage in trade or traffic in the products of insurrectionary States, or furnish transportation therefor, under pain of being deemed guilty of unlawful trading with the enemy, and punished accordingly.

"VIII. The Secretary of War will make such general orders or regulations as will insure the proper observance and execution of this order; and the Secretary of the Navy will give instructions to officers commanding fleets, flotillas, and gunboats in conformity therewith.

"ABRAHAM LINCOLN.

"GENERAL ORDER }
No. 285. }

WAR DEPARTMENT,
Washington City, October 6, 1864.

"FIRST. The attention of officers and soldiers of the army of the United States, whether volunteer or regular, is directed to the Executive Order dated September 24, 1864, and they will, in all respects, observe the same, and the commanders of all military departments, districts, posts, and detachments will, upon the receipt of this order, revoke all other orders within their respective commands conflicting or inconsistent therewith, and will make such orders as will insure strict observance of this order throughout their respective commands.

"SECOND. All commanders of military departments, districts, posts, and detachments will render such aid to the officers and agents of the Treasury Department in carrying out the provisions of said order, and the treasury regulations therein referred to, as can be given without prejudice to the military service.

"THIRD. Officers of the quartermaster's department, upon written application of the duly authorized agents of the Treasury Department, or of persons authorized by them, may furnish transportation, by land or water, for collecting and forwarding to market articles of produce within the insurrectionary States specified within the aforesaid order, upon such reasonable terms as may be prescribed by the Quartermaster General, where the same can be done without prejudice to the military service, and not otherwise. The application for transportation must be first approved by the commander of the department, district, post, or detachment wherein the articles are received.

"By order of the Secretary of War.

"E. D. TOWNSEND,
Assistant Adjutant General.

"GENERAL ORDER }
No. 42. }

NAVY DEPARTMENT,
Washington, December 1, 1864.

"The attention of the commanding officers of squadrons, flotillas, and vessels of the navy employed on blockade duty, or in the Mississippi river or other inland waters in the vicinity of the insurrectionary States, is required to the Executive Order hereto annexed, dated September 24, 1864, and they will adopt such measures as may be necessary to insure the strict observance of the order by those under their command.

"The forms of certificates referred to in paragraphs III and IV of the Executive Order are also annexed hereto.

"GIDEON WELLES,
Secretary of the Navy.

"TREASURY DEPARTMENT, *February 6, 1865.*

"The port of Fernandina, in the State of Florida, is hereby designated as a place for the purchase of products of insurrectionary States on government account, in accordance with the provisions of the 8th section of the act of Congress approved July 2, 1864.

"W. P. FESSENDEN,
Secretary of the Treasury.

"EXECUTIVE MANSION, *February 6, 1865.*

"Approved.

"ABRAHAM LINCOLN."

1843. As agent for the purchase of such products, did you act in accordance with the regulations you have produced?

I intended to do so; my instructions from the Secretary of the Treasury were to act under the law and regulations, and under instructions given to other purchasing agents so far as applicable to my particular position.

1844. What was the course you have pursued in relation to this matter of trade, particularly as regards the granting of certificates?

On parties applying to me and saying they had facilities for getting out products, I satisfy myself they are men of character, and such men as could execute in good faith the contracts entered into. In every case I believe I have made written contracts with the parties defining the rights of the government and their rights, and specifying what was to be done. After making that contract I issued the certificate prescribed by the regulations. Some small purchases were made at Norfolk without written contracts.

1845. The 8th article of the regulations provide that these applications shall be made in writing, do they not?

I never understood that every party making application should do so in writing. I had more or less to do with the preparation of these regulations. Mr. Harrington and myself prepared the first draught of them. The 7th and 8th sections were intended to protect parties having products, against partiality on the part of agents. The 7th regulation directs agents always to purchase, to the extent of the funds in their hands, the products offered to them. The 8th regulation requires that where any person makes application in writing setting forth that he owns or controls products, it shall be received and considered. The object is to prevent the agent from showing favor to one over another, by requiring him to consider the application of any one when made in writing, representing himself as owning or controlling products in the insurrectionary States.

1846. Does not that article require that the person applying to the purchasing agent shall make the application in writing?

I do not so understand it. The language is, "Whenever any person shall make an application to the purchasing agent in writing, setting forth that he owns or controls products, &c." The idea I had of that was, not that the application must necessarily be in writing, but that when made in writing, it *must* be received and considered. The object was, as I said, to protect parties having products in their control against being imposed on by the favoritism of the agent. I remember the discussions when these provisions were made, and perhaps my construction has come from my knowledge of the intent. It was said that an agent could favor a man proposing to get out products in a particular neighborhood, by refusing to buy on some pretence, and then favoring a second party from the same neighborhood; and these two sections were intended to make it obligatory upon the agent to contract and stipulate with any person claiming to own or control products.

1847. Then the construction you gave to it was, that you were obliged to give a certificate to any party making this application in writing?

Yes, sir; any proper person.

But you did not require in any case any application to be made in writing?

I did not require that. I think I may say that a very large proportion of the applications made have been in writing, but I did not require it.

1848. Do you mean that you would give a contract to a man making verbal application, although you had no evidence on record at all as to the location of the products he proposed to get out, or of his having the control or ownership of any products at all?

The written contract itself, which I made with him, would show that, and sometimes his letter of introduction would satisfy me on that point.

Were there ever any other regulations on this subject issued, or did you in any instance require affidavits to be made?

I did not require affidavits.

1849. Were there any instances in which affidavits were made?

I do not remember. Parties may have presented affidavits that they owned cotton; I think I have such on file; I could not state that with certainty without looking at papers.

1850. Did you have anything whatever to show in these cases that the party owned or controlled these products except his own assertions?

No; sometimes not; sometimes he would bring others with him to certify for him.

1851. What rule were you governed by in making these contracts and granting these certificates?

I was governed by a strong wish to stimulate the cotton trade. I judge from the appearance of the man, from his surroundings and from those who brought him to me, of his fitness and ability to engage in an enterprise of the kind. When parties have satisfied me that they had facilities or could command facilities in the shape of capital or otherwise, to carry on an enterprise for bringing out cotton, I made contracts with them.

1852. Is this a statement which you transmitted from the Treasury Department to the Senate?

Yes, sir; one I furnished the Secretary to transmit. It is as follows:

Statement of contracts made by H. A. Risley, agent authorized to

Names of parties with whom contracts have been made.	Persons recommending contracts to be made.	Date of contract.	AMOUNT AND DESCRIPTION			
			Cotton.	Turpen- tine.	Rosin.	Tar.
			<i>Bales.</i>	<i>Barrels.</i>	<i>Barrels.</i>	<i>Barrels.</i>
D. Cromelien & Co.....	Hon. Thomas Corwin..	Nov. 4, 1864	.....	.....	.....	.....
B. F. Camp, J. Maddox, and D. P. Parr.....	.....	Nov. 13, 1864	.....	340	700	.....
Levi, Brooks, and Camp.....	.....	do.....	7,000	.....	.....	.....
David O. Laws.....	.....	Nov. 14, 1864	10,000	.....	.....	.....
Augustus R. Wright.....	.....	do.....	500	.....	.....	.....
Alexander W. Harvey.....	.....	Nov. 15, 1864	30,000	.....	.....	.....
D. Randolph Martin.....	.....	do.....	6,000	.....	.....	.....
T. C. Durant.....	.....	do.....	4,100	.....	.....	.....
D. B. Grant.....	.....	Nov. 16, 1864	12,000	.....	.....	.....
J. B. Fassett.....	.....	do.....	20,000	.....	.....	.....
Rodney W. Daniels.....	Hon. R. E. Fenton.....	Nov. 17, 1864	10,000	.....	.....	.....
John W. Dyer.....	.....	do.....	.....	4,000	.....	.....
George W. Gage.....	.....	do.....	10,000	.....	.....	.....
Moore, Conalty & Co.....	.....	Nov. 25, 1864	15,000	.....	.....	.....
M. N. Twiss.....	.....	Nov. 29, 1864	5,000	.....	.....	.....
Mary P. Cecil.....	.....	Dec. 1, 1864	5,000	.....	.....	.....
Henry Thompson.....	.....	do.....	1,000	.....	.....	.....
Jas. O. P. Burnside.....	Col. Jeffries and others.	Dec. 3, 1864	10,000	.....	5,000	5,000
John Carew.....	.....	do.....	.....	.....	.....	.....
F. W. Bixby.....	C. H. Stedwell, custom- house, New York.	do.....	2,000	*2,500	.....	.....
J. H. Maddox and W. R. Lount.	Hon. Jos. Segar.....	do.....	.....	.....	.....	.....
Do.....	do.....	do.....	.....	2,000	2,000	.....
A. O. Brummel.....	John L. Reese.....	Dec. 5, 1864	5,000	2,000	2,000	.....
E. W. Gould.....	M. N. Falls.....	Dec. 6, 1864	.....	6,000	.....	.....
Hooper C. Hicks.....	Surveyor of Baltimore and others.	do.....	3,000	.....	2,000	2,000
Leonard Swett.....	.....	Dec. 7, 1864	50,000	.....	.....	.....
Do.....	.....	do.....	50,000	.....	.....	.....
Do.....	.....	do.....	50,000	.....	.....	.....
G. W. Lane.....	.....	Dec. 19, 1864	100	.....	.....	.....
Do.....	.....	Dec. 20, 1864	1,000	.....	.....	.....
Wm. J. Daviess.....	—— Coleman.....	do.....	2,500	.....	.....	.....
Hooper C. Hicks.....	.....	do.....	45	.....	.....	.....
Do.....	.....	do.....	50	.....	.....	.....
Jas. O. P. Burnside.....	.....	do.....	100	.....	.....	.....
Salmon B. Colby.....	Hon. W. Helmick.....	do.....	.....	.....	.....	.....
T. Osborne Oliver.....	.....	do.....	15,000	.....	.....	.....
Do.....	.....	do.....	10,000	2,780	.....	.....
Philo Durfee.....	H. A. Tucker.....	Dec. 22, 1864	2,400	.....	.....	.....
Thomas Lucas.....	.....	do.....	.....	.....	.....	.....
Cyrus M. Allen.....	.....	Dec. 24, 1864	12,000	.....	.....	.....
Robert Lamon.....	Ward H. Lamon.....	Dec. 27, 1864	5,000	.....	.....	.....
Do.....	do.....	do.....	40,000	.....	.....	.....
Do.....	do.....	do.....	5,000	.....	.....	.....
Charles K. Hawks.....	Hon. Geo. Ashmun.....	do.....	10,000	2,000	2,000	.....
Do.....	do.....	do.....	62,000	5,000	5,000	5,000
Leonidas Haskell.....	B. F. Camp.....	do.....	20,000	.....	.....	.....
Nathaniel F. Potter.....	.....	do.....	3,000	.....	.....	.....
Horace H. Meloon.....	.....	do.....	10,000	3,000	3,000	3,000
Wilson, Gibson & Co.....	.....	do.....	100,000	.....	.....	.....
Chas. D. Chase.....	.....	do.....	5,000	3,000	.....	.....
E. D. Webster and A. N. Shearer	.....	Dec. 30, 1864	.....	5,000	5,000	5,000
Peter Lawson.....	Gov. Andrew.....	Dec. 27, 1864	1,000	.....	.....	.....
Do.....	do.....	do.....	1,000	.....	.....	.....
Do.....	do.....	do.....	1,000	.....	.....	.....
Alonzo Brett.....	.....	Dec. 21, 1864	3,000	3,000	1,000	.....
Jephtha White.....	.....	Dec. 27, 1864	10	.....	.....	.....
Wm. H. Stiner.....	.....	Dec. 30, 1864	50	.....	.....	.....
Frank E. Winslow.....	.....	do.....	200	.....	.....	.....
H. A. Harney.....	.....	Dec. 27, 1864	100	.....	.....	.....
R. K. Cobb.....	.....	Jan. 3, 1865	200	.....	.....	.....
Fergus Pennington.....	.....	do.....	17,500	.....	.....	.....
H. C. Hicks.....	.....	do.....	100	.....	.....	.....
Chas. S. Palmer.....	.....	Jan. 5, 1865	50	.....	.....	.....

purchase products in insurrectionary States on government account.

OF PRODUCTS, MATERIAL, &C.				Where represented as situated.	When to be delivered.
Pitch.	Tobacco.	Lumber.	Miscellaneous.		
<i>Barrels.</i>	<i>Fect.</i>				
2, 100 cases.				Northumberland county, Va.	On or before Jan. 1, 1865
3, 000 boxes.				Virginia and N. Carolina	On or before Apr. 1, 1865
				Mississippi and Louisiana	On or before Mar. 1, 1865
				Virginia and N. Carolina	On or before July 1, 1865
				Rome, Georgia	On or before Mar. 1, 1865
				Florida	do.
				do	On or before Jan. 1, 1865
				do	do.
				do	On or before Feb. 1, 1865
				Louisiana, Arkansas, Miss.	On or before Mar. 1, 1865
				Florida and N. Carolina	do.
				Alabama	On or before July 1, 1865
				Mississippi and Louisiana	On or before Mar. 1, 1865
				Miss., La., Ark., Texas	On or before May 1, 1865
				Tennessee and Louisiana	do.
				North Carolina	On or before Mar. 1, 1865
				do	do.
50,000 lbs.				Virginia and N. Carolina	On or before May 1, 1865
100,000 lbs.				Western Virginia	do.
				North Carolina	On or before Mar. 1, 1865
	500 boxes.			Virginia and N. Carolina	do.
				do	On or before May 1, 1865
2, 000 boxes.				do	do.
				do	On or before Mar. 1, 1865
2, 000	2, 000 lbs.		250,000 shingles.	do	do.
				Ala., Tenn., Ark., Miss.	do.
				Tenn., Miss., La., Texas	do.
				Louisiana and Mississippi	do.
				Chowan river, N. C.	On or before Jan. 19, 1865
				do	On or before Mar. 20, 1865
				Newbern, N. C.	On or before Mar. 5, 1865
				Elizabeth City, N. C.	On or before Jan. 20, 1865
				South Mills, N. C.	do.
				do	do.
	140,000 lbs.			Virginia	On or before Mar. 1, 1865
				Florida and N. Carolina	do.
	300 hhd's.			Virginia and N. Carolina	do.
	3, 000 boxes.			North Carolina	do.
				Loudon county, Va.	On or before Apr. 1, 1865
			300 tons hay,		
			3,000 turkeys,		
			500 hogs,		
			1,200 chickens,		
			2,000 lbs. butter,		
			500 cords wood,		
			100 bnsh. corn,		
			500 bnsh. apples.		
				Tennessee and Alabama	On or before May 1, 1865
				La., Ala., Miss., and Texas	On or before June 1, 1865
				Fla., S. C., Ala., Ga., Miss.	do.
				Tenn., Miss., Ark., La.	do.
				Alabama and Mississippi	On or before Apr. 1, 1865
	3, 000 boxes.			Georgia and Florida	do.
	5, 000 boxes.			Ya., N. C., S. C., Ga., Ala.	On or before May 1, 1865
				North Carolina	On or before July 1, 1865
	3, 000 boxes.			do	On or before Apr. 1, 1865
				Florida, Georgia, Alabama	On or before May 1, 1865
	2, 500 boxes.			N. C., S. C., Ga., Fla.	do.
5, 000		2, 000, 000		Florida	On or before Apr. 1, 1865
				Roanoke river	
				Nense river	
				Pamlico river	
				Beanfort connty, N. C.	On or before Feb. 21, 1865
				Newby's Bridge, N. C.	do.
				Perquimans connty, N. C.	On or before Mar. 30, 1865
				do	On or before Apr. 30, 1865
				Elizabeth City, N. C.	On or before Mar. 27, 1865
				do	On or before Mar. 3, 1865
				Louisiana and Mississippi	On or before Aug. 1, 1865
				Hinton's Landing, N. C.	On or before Apr. 4, 1865
				do	On or before Apr. 5, 1865

Statement of contracts made by H. A. Risley, agent authorized

Names of parties with whom contracts have been made.	Persons recommending contracts to be made.	Date of contract.	AMOUNT AND DESCRIPTION			
			Cotton.	Turpen- tine.	Rosin.	Tar.
Robt. E. Cox.		Jan. 5, 1865	<i>Bals.</i> 50,000	<i>Barrels.</i> 10,000	<i>Barrels.</i>	<i>Barrels.</i>
Samuel Noble		Jan. 6, 1865	250,000			
Francis V. Haskins		do.	20			
P. H. Whitehurst & Co.	Gov. Pierpoint.	do.	50			
Alonzo Brett		Jan. 16, 1865	200	200	200	
J. O. P. Burnside.		do.	60			
H. C. Hicks		do.	100			
George T. Wallace		do.	50			
L. B. Wilson	John G. Stephenson.	Jan. 24, 1865				

¹ Barrels naval stores.

At what price.—By the terms of the several contracts the products are to be sold under the direction of the agent, in the same manner and upon the same conditions as other sales of the like public property are made. No payment to be made until after sale of products, and no liability of any kind incurred on behalf of the United States.

Out of the proceeds are first to be paid all expenses, costs, and charges connected with the transportation and sale of products, together with the internal revenue tax and permit fees; and of the net proceeds, over and above such expenses, costs, charges, taxes, and fees, one-fourth part to be paid into the treasury of the United States and three-fourths to the sellers.

A copy of one of the contracts is submitted herewith, all of them being substantially in the same form.

In contracts where products are to be brought out by way of western rivers, they are to be delivered to purchasing agent at Nashville, Memphis, or New Orleans, and the contract to be executed by them under the regulations and their instructions.

to purchase products in insurrectionary States, &c.—Continued.

OF PRODUCTS, MATERIALS, &C.				Where represented as situated.	When to be delivered.
Pitch.	Tobacco.	Lumber.	Miscellaneous.		
<i>Barrels.</i>		<i>Feet.</i>			
	10,000 boxes.			Va., N. C., S. C., Ga., Fla.	On or before July 1, 1865
	10,000 hhds.			Miss., N. C.	
				S. C., Ga., Ala., La.	On or before Jan. 1, 1866
				Camden county, N. C.	On or before Mar. 6, 1865
				Elizabeth City, N. C.	do
			200,000 staves.	Craven county, N. C.	do
			10,000 shingles.		
				Elizabeth City, N. C.	On or before Mar. 17, 1865
				do	On or before Mar. 16, 1865
				Pasquotank county, N. C.	On or before Mar. 17, 1865
	500 boxes.			Virginia	On or before July 1, 1865
	100 bales.				

NOTE.—The persons above mentioned did not, in all cases, solicit or recommend the making of the contracts, but introduced the parties to the agent, or commended them to his consideration. In some cases the agent had personal knowledge of the parties; in others he cannot recollect any individual as having introduced them, but he was, in some manner, assured of the respectability of the contracting parties, and had reason to believe that they owned or controlled products and enjoyed facilities for getting them out.

1853. Do you know the number of bales which you have contracted to purchase?

I have not footed up the amount. I know the number is very large; I believe something over 900,000 bales.

1854. What evidence did you have as to the ownership and control of this large amount of cotton?

I had no evidence except the representations of parties that they could deliver large quantities. I fixed the quantity generally as they asked it, thinking that the more that they could get the better. I did not make it a point at all as to the quantity in making these contracts. I do not know that I ever limited any one, although I may have had my opinion as to the ability of parties to get out the quantity they asked for.

1855. What evidence, for instance, had you in the case of Samuel Noble, who seems to have a contract under date of January 6, 1865, for 250,000 bales?

Some time ago Mr. Noble came to me representing himself as from Georgia. He brought a card from the President asking me to confer with him. We had just taken Savannah. He represented himself as living at Rome, Georgia; as having been largely engaged in merchandise; as having acquaintances in New York of character, and as coming from a large number of planters who wished him to make some arrangements at the north for getting cotton to market. He represented himself as having learned that we had some new regulations about cotton; as acting in behalf of a large number of planters owning a large quantity of cotton which they could get out. He made me believe he would get out a great deal of cotton.

1856. What was the character of the card you received from the President?

It barely said, Mr. Risley will please see Mr. Noble, of Georgia.

1857. Did Mr. Noble bring any letters to you?

No, he did not bring any letters to me. He had a letter from a clergyman in Rome, Georgia, to a New York gentleman, who I knew by reputation, though I did not know personally—a Mr. George W. Quintard. The clergyman who wrote the letter was a brother of Mr. Quintard. Mr. Quintard came with him to me and treated him with great respect. He said he knew him and had dealt with him heretofore. He said he was a man of character and means.

1858. Did he make any application in writing?

No, sir.

1859. Did he make any statement in writing as to where this vast amount of cotton was? He made no written statement except the recitals in the contract.

1860. Have you that contract with you?

I have; it is as follows:

“Memorandum of agreement made January 6, 1865, between H. A. Risley, agent on behalf of the United States, under act of July 2, 1864, of one part, and Samuel Noble, of Rome, in the State of Georgia, of the other part.

“Whereas the said Noble now owns between seven and eight thousand bales of cotton, about eight hundred bales in Selma, Alabama, twelve hundred and fifty-six bales in Mobile, two hundred in Rome, eighteen hundred in and about Savannah, Georgia, and between four and five thousand in and about Augusta, Georgia, and has understandings and negotiations pending with various parties in the States of Alabama, Georgia, South Carolina, and Florida, and at Memphis and New Orleans, for other large quantities of cotton which he expects to be able to sell and deliver to said Risley, agent as aforesaid, as hereinafter provided, the said parties have entered into the following agreement, to wit:

“The said Noble agrees to deliver to said Risley, agent as aforesaid, or to some person acting for him, at Fernandina, Pensacola, Port Royal, Mobile, Huntsville, Alabama, Jackson, Mississippi, Savannah, Brunswick, Chattanooga, Tennessee, and New Orleans, two hundred and fifty (250) thousand bales of cotton on or before the first day of January, 1866, it being expected that said Noble will be able to get proper passes through the military lines for the purpose of obtaining said cotton, and free passage returning with the same, under the general regulations and executive order for that purpose, or such other military orders as may be obtained through the agency of said Risley.

“And the said Risley, agent as aforesaid, agrees to receive the said cotton at the localities above specified, and in such quantities from time to time as the said Noble may be able to deliver, and to forward the same to the city of New York, where such cotton shall be sold from time to time under the direction of said Risley, agent as aforesaid, and George W. Quintard, agent on behalf of said Noble, and in the manner likely to make the same most productive.

“And it is further agreed between the parties, that out of the proceeds of the sale of such cotton shall be first paid all expenses, costs, charges, and government dues, and the balance of such proceeds shall be disposed of as follows: one-fourth part shall be retained by

said Risley for the United States, and three-fourths to be paid to the said Noble or his legal representatives

"And it is further agreed by and between the parties that the cotton transported by said Noble for fulfilment of this contract shall be consigned to said Risley, agent as aforesaid, and shall be shipped on government transports, or if not so shipped, shall be in charge of some person acting for said Risley, agent as aforesaid, whose compensation and expenses shall be paid out of proceeds of said cotton.

"And the said Risley further agrees that all proper facilities and passes shall be furnished to said Noble from military officers commanding for the purpose of obtaining said cotton and bringing it through the lines, and safe conduct within the lines, and for returning with thirty-three and one-third ($33\frac{1}{3}$) per cent. of the value of cotton delivered in supplies not contraband of war, as provided in General Regulations and Executive Order of September 24, 1864, it not being contemplated in any event to violate the blockade, but cotton to be transported only through such ports as have been or may be opened by proclamation of the President

"And the said Noble hereby stipulates and agrees that he will not engage in any prohibited trade, or transport or attempt to transport products from the insurrectionary States, except for fulfilment of this contract, or transport or attempt to transport supplies to States declared in insurrection, except under proper military permits, obtained on certificate of the purchasing agent, as provided by the Regulations and Executive Orders, and that all products, goods, wares, or merchandise transported by said Noble from insurrectionary States to loyal States, or from the loyal States to States declared in insurrection, in violation of regulations, or except for fulfilment of this contract, shall be forfeited to the United States.

"H. A. RISLEY,

"Sup. Spec. Agent Treasury Department, authorized to purchase products, &c.

"SAMUEL NOBLE "

1861. Do you know what parties, if any, in New York or elsewhere, were connected with Mr. Noble?

I do not. He did not say he had any, except that he represented planters in the south.

1862. Did he say where he was to get his capital?

He stated that he could get his cotton out without any capital.

1863. Did you ever have any other conversation about this matter, except with Mr. Noble and Mr. Quintard?

No, sir.

1864. Did you ever hear of any parties being interested in Mr. Noble's contracts?

No, sir.

1865. Did you have any further knowledge than you have stated in regard to Mr. Noble?

Not any at all. I was favorably impressed by him.

1866. Where did he come from when he came to you?

He came from Washington when I was in New York.

1867. Where did he come from when he came to Washington?

He represented himself as coming direct from Savannah.

1868. Had you any evidence of his loyalty?

No, sir, except what I got from Mr. Quintard.

1869. Did Mr. Quintard know anything about that?

Mr. Quintard said, I think, that he knew him.

1870. Was this contract made with Mr. Quintard or Mr. Noble?

It was made with Mr. Noble. I do not remember that Mr. Quintard was present at all. I do not think he was.

1871. Is Mr. Quintard set forth in this contract as the agent of Mr. Noble?

Mr. Quintard was to be his agent to look after his interests in New York in regard to cotton which was sent to New York, and transact his business for him.

1872. Who is Mr. Quintard?

I think he is a merchant and a ship-owner. I cannot quite give his business, though I have known of him for years as a prominent merchant or business man. I never met him before.

1873. Do you know of anybody being connected with Mr. Quintard?

I did not see anybody with him. I cannot even remember the name of his firm.

1874. Do you not think that a quarter of a million of bales of cotton is a very large amount?

Yes, sir, a very large amount.

1875. What would be its value at \$1 per pound?

Very large, but I supposed the larger the better, as it was desirable to bring in cotton.

1876. Then the only knowledge you have of Mr. Noble is from Mr. Quintard, who was the agent of Noble?

He was made his agent after the conversation I had with Mr. Noble. He consented to act as agent to see that the cotton was properly sold.

1877. Had you not reason to believe that he was interested as a partner of Mr. Noble? I do not remember of a word being said to that effect.

1878. And interested with a large number of other parties? I have no knowledge of that.

1879. Would it not take a vast amount of capital to bring out that amount of cotton?

His plan would not require any considerable amount of capital. He proposed to collect the cotton from the planters and ship it to New York. It would not necessarily require a large amount of capital, because the cotton would not be paid for, to planters, until sold in New York.

1880. Had you any evidence or knowledge that this man had not been in arms against the government?

I had not.

1881. Did you require any evidence as to the loyalty of any man coming from the disloyal States?

I do not now remember any coming from rebel States except him. I usually inquired enough to satisfy myself that the persons making the application were men of character. I do not recollect that I asked Mr. Noble if he had been in the rebel army. From an hour's conversation with him, after I met him, I came to the conclusion I could have faith in him. If he told any truth, he was a loyal man. He told a great many interesting things about Sherman's march. I had not any doubt about his being a friend to the government.

1882. I see from this report that contracts were given to Robert Lamon. Who is Robert Lamon?

I do not know him. I may have seen him. The contract was made with Marshal Lamon for his brother, as he represented him to be.

1883. Did Robert Lamon make any application for a permit?

Not personally. It was made through the marshal.

1884. Was Robert Lamon or the Marshal himself the real party, and Robert Lamon's name put in as a cover; why did not Marshal Lamon put in his own name?

Marshal Lamon came to me and said that his brother, Robert Lamon, wanted to engage in this cotton trade, and asked me if I was making these contracts with all that applied. I told him I was with all applying who I thought could accomplish anything. He said this man wanted to make a contract, and I made it with him.

1885. Have you that contract?

I have. It is signed by nobody but myself. I think I must have another contract, and that this is in the bundle by mistake.

1886. Was there any order of the President connected with this?

I think there was. You will understand, however, that these contracts were entirely outside of the regulations; still I intended to have all contracts made in writing and all the parties sign them.

1887. Do you not have to make a contract for the purchase of the cotton?

The regulations do not require a formal contract; the agreement may be merely verbal.

1888. Then there has to be a contract made?

The certificate given is that I have agreed to purchase and that the parties agree to deliver. I think there was an executive order in this case, of which I can furnish a copy.

1889. From this printed document it appears that Robert Lamon had three separate permits or certificates. Was there more than one contract made?

No, there was only one contract that I remember. The contract was to deliver cotton at three different points, and a certificate was given for each point.

1890. I see that contracts were also made for 150,000 bales of cotton with Leonard Swett. Have you that contract here?

Yes, sir.

1891. What facilities had Mr. Swett for getting out cotton?

He represented to me that he was forming combinations and making arrangements for getting out a large amount of cotton; that he had been in consultation with various persons who were here in Washington, who controlled large quantities of cotton, and he was getting up a grand scheme for getting it out.

1892. Do you know who his associates were?

I once saw two or three of them in New York, but I cannot remember the name of one of them. I do not know certainly that they were his associates. They were Boston men. It was after the contract had been made that I saw them. He said he had a large company with, I think, 3,000,000 dollars capital, organized; that they were to take a million dollars

with them in greenbacks. When I met him in New York he said he had his arrangements all made; he brought two or three gentlemen into my room who said they understood that some new regulation had been made which cut off the executive orders, and they wanted to know how it was. I explained the amended regulation as not affecting them.

I see the name of George W. Lane in this printed list as having received a contract; upon whose recommendation was that contract made?

There was no written contract made with him by me; the arrangement was made in Norfolk by Mr. Farrington, who was acting for me. I knew something, however, of the man; there is no contract with him among my papers at all.

1893. Why was it put down here in this list?

After I received the resolution of the Senate, I immediately sent to Norfolk to find what had been done there, and, as they were my contracts, I incorporated into my report everything that was reported to me as having been done, and among them was this Lane transaction. The contract with him was a mere verbal one, I am informed.

1894. Do you know of Lane being engaged in contraband trade and being court-martialled?

I knew that he was tried, but I was told that he was acquitted, and, on final adjudication, discharged. He was tried in North Carolina and fined; the matter was afterwards referred to a military commission, and the fine which had been imposed was remitted and the money refunded. So I have been informed, but I have no knowledge of the matter.

1895. Do you know where this man is now?

I saw him in Norfolk the other day.

1896. Was he under duress?

Yes.

1897. Under what charge?

I do not know what; I know he was before a military commission there in reference to a cotton transaction.

1898. Who is the Mr. Farrington you speak of?

DeWitt C. Farrington has been in Norfolk since General Butler's administration.

1899. What was his position there?

He was at the head of the gas-works as one thing; he was public auctioneer as another. These, I believe, are the only two capacities in which I have known him.

1900. Was he connected with the Treasury Department at one time?

He has been lately acting as my agent or clerk in purchasing products. The first I knew of him was from a conversation I had with General Butler in the cars. I told him that I had been authorized to buy cotton, and asked him if he thought I could get any out of Norfolk. He said there had not a great deal come out there, but he thought there would. I remarked that if there was much to do I could not attend to it personally. He said he had already appointed a man there to act until appointment was made by the Senate—a man by the name of Farrington; that he was an excellent man, and I had better employ him. He spoke in this way of him. I had never seen Mr. Farrington then. About the same time Mr. Fessenden went to Norfolk, and on his return told me that this cotton matter was going on at Norfolk; that there was an agent buying there under General Butler's authority, and that he had already made some 25,000 dollars, which was to be turned in to the treasury. We spoke of it as a piece of good fortune to have accumulated a fund to that extent without risk or knowledge on our part. I said to Mr. Fessenden this is the man General Butler had recommended. I do not know that Mr. Fessenden assented to my engaging Farrington, but he had this knowledge of it.

1901. Where was Mr. Farrington from?

I think from Massachusetts—perhaps from Lowell. I am not sure of it.

1902. Were you before a military commission at Norfolk?

Yes, sir.

1903. On what subjects?

They asked me a few questions. They inquired particularly about trade-stores out in North Carolina, and the division of authority between the treasury and the military. The point of the inquiry was where the treasury had supervision of the trade there, or if it was mainly left to the military authority.

1904. How was that?

That was left almost entirely to the military authorities.

1905. Was there any further question asked you in relation to a conversation with General Butler?

Yes, sir; there was an inquiry made as to whether I went to see General Butler and had a conversation with him about a store in connexion with a man by the name of Henry McKay, and whether he made any conditions about it.

1906. What was your answer?

My answer was that there was not any at all. General Butler never suggested anything

of the sort. I told him there were two or three trade stores established out in the country, and that Mr. McKay expected me to intercede for him; that he was a very good man; that he supposed that I could arrange it so he could have a store. General Butler said there was no objections to Mr. McKay having one of the stores out there, and referred the matter to General Shepley. That was about all that was said, and that was about the extent of the examination.

1907. Will you state whether a contract was made with Conatty and others?

Yes; I remember the contract; it is given in this list at 15,000 bales.

1908. What was the date of that contract?

November 25, I think.

1909. Was there more than one contract made with these parties?

No, sir.

1910. Is the paper which I hand you a certificate you gave?

Yes, sir.

1911. Be good enough to state the number of bales.

This is for 50,000.

1912. Is it the same contract you before referred to?

The same paper.

1913. How do you account for the discrepancy?

When this statement was made up it was made by Mr. Conatty himself, who had been pretty familiar with the whole thing. I got him to help me. He said nothing to me about there having been any change at the time of making up this report; consequently it went in at 15,000 bales. I remember that as the original number in his contract. He came back after his examination here and asked me if I remembered his proposing to enlarge his contract, and asking me if I had any objection to his increasing the number of bales. I remember that I said he might increase it as much as he pleased. We had that conversation, and I suppose I knew the number was to be enlarged. I do not know if I knew of this alteration in the certificate.

1914. Was that alteration made after the paper was executed?

Yes, sir.

1915. What was the President's order upon that certificate—did it cover 50,000 or 15,000 bales?

The President never looked at it; but still I may state the fact, that when he signed it it was for only 15,000.

1916. Was the proposed alteration ever submitted to the President?

It was not.

1917. What authority had you to change the order of the President?

Not any authority. If my attention had been called to the matter I would have seen the impropriety of the alteration without submitting it to the President. I do not suppose that my attention was particularly called to it. I knew that Conatty was making arrangements to enlarge the amount.

1918. Did you, so far as you recollect, authorize him to make that alteration on the President's order?

I authorized him to make the alteration in the contract, but I do not think I would have altered the President's order without submitting it to him.

1919. Will you look at the contract which you have referred to, and say if it has been so changed?

There has been a change of from 15,000 to 50,000 bales. I think I knew of that.

1920. What do you state in regard to the change in the certificate which has the order of the President on it?

I have no recollection about that. I think that if I had seen that a paper that the President had signed was to be changed, I should have submitted it to him. I was pretty busy then, and did not have my attention called specifically to every item of business.

1921. Do you recollect at what time the alteration was made?

I think, perhaps, about two weeks after the contract was made.

1922. Was it not about the 5th or 6th of January?

Perhaps that was the date.

1923. Had you not prior to that time ceased to any extent giving out these contracts which had the order of the President upon them?

There was a time when I held up.

1924. Was it not considered a matter of very great importance to him, you having held up in this matter, that he should have a larger amount?

He represented that he could make arrangements for a larger amount of cotton, and I did not object to it. I did not know the contract was of great value.

Will you state who these parties are—who is Conatty?

Conatty had been a clerk in the Treasury Department, assigned to my room.

1925. Who was Wm. Helmick?

When he came there Mr. Helmick was in the Pension Bureau, and was represented to me as a former member of Congress from Ohio.

1926. Who was Moore?

Moore was a resident and, I think, merchant of Washington. I do not know much of him, except that he was a resident of Washington.

1927. Do you know whether these parties, after enlarging the amount of cotton by changing the certificate, sub-let or sold out a portion of their contract?

Conatty told me he was making some arrangements, but I had not supposed that it was closed.

1928. What do you know of a certificate, having the President's order, that was given to Lazare and others?

I know there was one obtained for Lazare and others, but never given to him; there was some misunderstanding in reference to it, but I do not know what. Lazare came and told me that he was going to have nothing more to do with it, but the other parties could do with it what they pleased.

1929. Did the certificate which I hand you go into the hands of any person or persons?

Yes, I think Camp took it out of the office. I do not remember much of this. I knew that a change was made in the name. I remember that Lazare told me before the contract was executed that he did not want to have anything to do with it, and that the other parties could do what they pleased with it, and that this Lovie was introduced in his place by the other parties.

1930. Does this certificate, which is signed by you, appear to be altered or changed?

Yes.

1931. In what respect?

Lazare's name was erased and Lovie's name inserted in his place.

1932. Were the words "and Louisiana" inserted afterwards?

That I cannot tell.

1933. Then I understand you to state that your certificate was issued to Mr. Lazare?

It was not issued.

1934. Was not this certificate, when it went out of your hands in the first place, in the name of Lazare, Brooks & Camp?

It may have gone out of the office for a few days, but it was not considered as delivered for use.

1935. The point is, that after the 17th of October, which is the date of the President's order, this paper did not go into the hands of Lazare, Brooks, Camp, or other of them?

Camp, I think, took it for some purpose.

1936. Do you know when this alteration was made by the erasing of Lazare's name and insertion of Lovie's?

I knew of that alteration, but I cannot tell when it was.

1937. Where was it done?

Somebody spoke to me in New York and said he wanted to bring Lovie into the contract in the place of Lazare, and I assented to it.

1938. Will you state if the name of Lazare was in the President's order?

It seems to have been.

1939. Can you state whether the name of Lazare was erased and that of Lovie inserted with the knowledge or approval of the President?

No, sir; it never was submitted to him that I know of.

1940. What right or authority had Conatty, or any other person, to erase the name of Lazare in the certificate of the President, and insert that of Lovie?

It should not have been done.

1941. Could not he instead of putting in the name of Lovie as well put in the name of Judah P. Benjamin, which would have made the President give an order to the military and naval forces to permit Judah P. Benjamin to take out cotton?

I see the impropriety of it plainly, and I want to say, in reference to myself, that I think I should have seen that impropriety at the time if it had fairly been brought to my notice; and while I saw no objections under the circumstances I have stated to putting in the name of Lovie in the place of that of Lazare in the contract, yet, when it came to altering the certificate signed by the President, I should have obtained his permission before doing it; at the same time I have no idea but what Conatty was authorized in doing what he did.

1942. Was not the alteration of the records of the department in truth and in fact a forgery?

It was the alteration, with the consent of all the parties, of a paper that had not been delivered, and therefore had no legal existence. I had Lazare's permission to strike out his name and arrange with the others.

1943. Do not I understand you that this instrument went into the hands of one of the parties?

I do not think it was in the hands of Camp as a valid instrument. I know I was surprised when I found it had gone out of the office.

1944. Has it ever been back in the department or into your possession or control since it was first delivered?

Perhaps this paper has not. I have one that looks just like it.

MONDAY, *February 20, 1865.*

Members present :

Representatives.
Mr. WASHBURN.
ELIOT.
LONGYEAR.

HANSON A. RISLEY appeared and examination continued.

By Mr. Washburne :

1945. Have you, since your last examination, found out anything additional in regard to the partially executed contract with one Robert Lamon?

Yes, sir; I have found that the paper produced on Saturday was a contract originally made with Mr. Lamon and reduced to writing, but not executed; that before any paper was actually executed, he concluded to increase the amount, and to get out cotton in different localities. A new contract was therefore made and executed, a statement of which is in the report which has been printed. The contract which I have here is the contract between the parties, and is for 50,000 bales. The paper produced on Saturday was in the bundle by mistake.

1946. How many certificates were issued on this contract?

There were three certificates issued, one intended for each place of delivery of the products.

1947. Do you know anything of a contract being made with Thomas C. Durant?

Yes; that was one of the first that was made.

1948. What knowledge have you in regard to it?

I made the contract with Mr. Durant myself. He came to my room in the Treasury Department, and said the Secretary sent him there for me to confer and make arrangements with him, and produced papers showing that he owned cotton. I made a written contract with him, and gave him a certificate under the regulations, and prepared an executive order. I did not get the signature to the executive order.

1949. Was the signature ever obtained to it?

Yes, sir; I think so. I left the paper in the hands of a lawyer by the name of J. B. Stuart, who was with Mr. Durant when he came to me, and I supposed he obtained the signature of the President. I never knew.

1950. Have you any further knowledge about this contract with Mr. Durant?

Mr. Durant told me, since his examination before the committee, something of which I had no knowledge at the time the contract was executed. At that time he showed me some papers by which I thought he had some cotton under his control, and that he could get it out.

1951. Do you know of his making any arrangement with Beverly Tucker?

I did not know of it at that time at all. I never heard of it until recently.

1952. What have you heard recently in regard to the matter?

He told me since the examination here that he had had various conversations and some correspondence with parties, and that Colonel Baker and others, with an understanding with the War Department and the knowledge of General Dix, went, or sent, to Canada and communicated with Beverly Tucker, all of which was new to me. I saw Colonel Baker at the Astor House in November, I think. He told me that he was discovering what he called "improper cotton transactions," which he would like to talk with me about, and wanted me to meet him at his rooms. We did not, however, meet; my recollection is that I called at his room, found him out, and left my card. The conversation I had with him was in the hall. He appeared to think he was making important discoveries, but did not make such explanation as made much impression on my mind. I do not think he mentioned Durant's name.

1953. What was the purport of the conversation?

The purport was that some parties were undertaking a cotton scheme with rebels, or were concocting a grand cotton scheme with rebels.

1954. Do you understand that it was in connexion with contracts granted by the Treasury Department?

I do not think he said that to me. I remember that Baker seemed to be in earnest about it; that he said that he had something important to communicate to me about it; still, I

did not exactly get at what he was driving at, and I do not think I attached much importance to it. I do not think he mentioned any name. He may have done so. I intended to meet him and find out what he referred to, but I came off that night.

1955. Are you able to state the amount of the cotton that has actually been purchased under these contracts?

I can find all the returns to the department.

1956. Can you approximate the amount without referring to the records of the department?

Not very nearly. I suppose from 5,000 to 10,000; but that estimate may be very wide of the mark.

1957. What amount of money up to this time has the government actually made by these cotton transactions?

That I cannot tell; I can tell what has been made under my agency; about \$75,000, aside from the internal revenue tax and permit fees—say about \$85,000 all together.

1958. How will the amount received, in your estimation, compare with the amount received by other agents?

I do not see their reports; I saw one report of Mr. Ellery, in which he showed a profit, I think, of \$150,000, and that may be a month ago.

1959. Has Mr. Ellery the same authority to make contracts and grant certificates that you have?

Yes, sir; substantially.

1960. Does Mr. Ellery have upon his certificates the order of the President?

No; he does not.

1961. Why not?

I can explain just how the practice came up; the regulations were made, and the general orders signed, on the 24th of September, 1864; I obtained the President's signature to them, but he required me not to publish them or consider them in force until the orders of the War and Navy Departments for carrying out the regulations and his orders should be obtained. The Secretary supposed that these orders would immediately follow. Mr. Ellery and Mr. Cutler were appointed agents. Various instructions were gotten up for them. We were at work for a week or two getting up instructions for different officers, who were to have a part in the business, defining their duties, &c. Some time passed away without getting orders from the War or Navy Department, and on inquiry it appeared that opposition had sprung up to the scheme—I never heard from whom exactly; generals in the field feared or believed that the plan would interfere with military operations. There was a hesitation, at any rate, in some of the military departments which was not the fact in others. On the coast, where there were no military operations in progress at that time, which was also true perhaps in some other portions of the country, a different feeling to some extent prevailed. There was no such objection to the scheme. The President was urged to make that order specifically, in individual cases, to enable persons to get out their cotton, and he yielded to that request. At his suggestion I prepared specific orders in some of the cases, containing part of the government order, which were signed by the President.

1962. Then the specific order of the President may be considered as rather exceptional?

Yes; it was so considered at the time. He had no idea of making any specific orders after the general regulations should be put into force. In the mean time there had been at least twenty cases in which the order had been made, sometimes signed by him rather reluctantly. He sometimes requested that I would come to him instead of the parties for his signature. He said I took up less of his time.

1963. Why was it that all parties did not take their chances under the regulations made for the government of everybody?

The general regulations were suspended from the 26th of September until about the 1st of December, and it was during this time that most of the special executive orders were made.

1964. How many were given in all?

I should think perhaps forty.

1965. Were not these certificates, that had the special orders of the President on, regarded as much more valuable than others?

They grew to be so towards the last. I do not know that they were considered so at first; but, subsequently, parties came and said there had been so much delay and misunderstanding about the general order that they could not accomplish much under it. But if they had the President's autograph they said military officers would respect it.

1966. Then the object was to get some special advantage by obtaining these certificates?

That was probably the object. It was to obtain something parties could not accomplish under "general orders."

1967. Were they not considered very valuable if the certificates had the executive order on them?

I find now that they are ; I did not know then that they were so considered.

1968. Was not that the reason that Conatty's contract was changed from 15,000 to 50,000 bales ?

It would be worth more, of course. Conatty informed me he could make large arrangements and wanted a larger contract.

1969. What is there to prevent every man now, who has one of the certificates with the order of the President on it, from enlarging it to an indefinite amount ?

He would have to come to me, and, after what has been said, I should be more cautious than I have been. I never did make the matter of the amount of cotton stated in a permit an important point. I supposed the larger the amount they got out the better.

1970. What is the department now doing in relation to these matters ?

There is pretty nearly a suspension in reference to them at the department. The Secretary directed me substantially not to do anything out of Virginia and North Carolina, or where products would naturally go to Norfolk. Other agents are buying as before. No large contracts have recently been made.

Since this examination has there been any ?

I think not any.

1971. What orders have you now from the Secretary of the Treasury in relation to this matter ?

To suspend, except in Virginia and the parts of North Carolina trading at Norfolk, and to be more cautious—only contracting where better evidence is furnished of ownership or the ability of the parties to get out products.

1972. I understand the estimate you have made is that you have contracted for something like 930,000 bales. How much cotton do you suppose there is in the south ?

I suppose something like 4,000,000 bales in the confederacy. That is, however, the merest conjecture ; I have not paid great attention to the subject. I have heard the estimates of parties at something like that amount ; there is supposed to be a part of two or three crops there.

1973. You have spoken of the amounts received by the government from the district you are in, and also the district Mr. Ellery is in. Can you estimate the amount received from the other districts ?

No, sir, I have not seen the reports of Mr. Cutler. Mr. Ellery's came into my room by accident.

1974. Do you know of other agents having been recently appointed ?

I believe one has just been appointed for Fernandina.

1975. Do you know at whose instance the appointment was made at Fernandina ?

I pressed the appointment as a matter of relief for me. I myself had made these contracts, because there was no other agent on the coast. I had urged the appointment of agents. The Secretary had delayed making them. When I came back from New York I found that an agent was to be appointed for Florida. I do not know that I understood any one particularly had been to press the appointment on the Secretary, but he determined to make the appointment. I had urged it as the means of having somebody there to receive products and make these contracts.

1976. Do you know whether this agency was in any way connected with the venture of Wilson, Gibson & Co. ?

I do not. That was one case in reference to which I urged the appointment of an agent to receive the cotton purchased.

1977. What do you know of the contract with Wilson, Gibson & Co. ?

I made the contract with them, so I know all there is of it, I suppose.

1978. How many bales is that contract for ?

One hundred thousand bales, I think.

1979. Was this contract with Wilson, Gibson & Co. made before the appointment of an agent at Fernandina ?

Yes, sir. A month before, I suppose.

1980. What agency did Wilson, Gibson & Co. have in the appointment which was made ?

I do not know that they were ever consulted in any way.

1981. Did they send attorneys here to get that matter accomplished ?

Wilson, Gibson & Co. had attorneys here about that time ; but one of their objects was, as they told me, to get the Secretary of War to make an order in aid of their contract. It is possible, however, that they urged the appointment of an agent for the coast. I do not know of their urging it upon the Secretary.

1982. Do you know what has been done under the contract of Wilson, Gibson & Co. ?

Yes, sir, they have sent goods down to Fernandina, and have sent agents there to commence operations.

1983. Do you know of the amount of goods taken out by them ?

I understood they had a cargo ready to take down. I did not learn the amount.

1984. What kind of goods?

I knew nothing about them, except that they understood that they were limited by executive order to goods "not contraband of war," and not prohibited by the War Department.

1985. What do you understand now to come within the meaning of the War Department of "not contraband of war?"

That is a very vexed question, that I have studied more than most people. I have tried to find that out. We had in the regulations of the Treasury Department a list of what was called "prohibited articles," which came from the War Department; but I do not suppose they define precisely what are to be considered articles contraband of war. The following is the list of articles which were included in the old Treasury regulations:

"No clearance or permit will be granted for the shipment of prohibited articles, viz: cannon, mortars, fire-arms, pistols, bombs, grenades, powder, saltpetre, sulphur, balls, bullets, pikes, swords, boarding caps, (always excepting the quantity of the said articles which may be necessary for the defence of the ship and of those who compose the crew,) saddles, bridles, cartridge-bag material, percussion and other caps, clothing adapted for uniforms, sailcloth of all kinds, hemp and cordage, intoxicating drinks, other than beer and light native wines, or other articles prohibited by the proper authorities, except upon certificate and request, under Paragraph XXXII, or by special direction of the supervising special agent, sanctioned by the general commanding department or district into or from which the shipment is to be made."

That was the list made up by Mr. Chase in preparing the regulations. Those regulations have since been superseded by others subsequently issued. Mr. Chase asked the War Department to define what were called "munitions of war," and for that reason, among others, I never considered that list as covering everything contraband of war. In connexion with this subject I will here produce a copy of a letter written by the Secretary of the Treasury to the Secretary of War. I prepared the letter without suggestion from any one, and the Secretary signed it. I thought it was important to have a definition from the War Department, as without that local military officers would settle the question wherever it arose, and there could be no uniformity:

TREASURY DEPARTMENT, *December 1, 1864.*

SIR: The executive order of September 24, 1864, concerning the purchase of products of insurrectionary States, directs that any person having sold and delivered to a purchasing agent any products of an insurrectionary State in accordance with the regulations in relation thereto, and having in his possession a certificate setting forth the fact of such purchase and sale, the character and quantity of products, and the aggregate amount paid therefor, as prescribed by regulation JX, shall be permitted by the military authority commanding at the place of sale to purchase from any authorized trader at such place or any place in a loyal State merchandise and other articles not contraband of war, nor prohibited by order of the War Department, nor coin, bullion, or foreign exchange to an amount not exceeding in value one-third of the aggregate value of the products sold by him, as certified by the agent purchasing; and the merchandise and other articles so purchased may be transported by the same route and to the same places from and by which the products sold and delivered reached the purchasing agent, as set forth in the certificate; and such merchandise and other articles shall have safe conduct, and shall not be subject to detention, seizure, or forfeiture while being transported to the place and by the route set forth in said certificate.

I have the honor to transmit herewith a list of articles constituting "munitions of war," as defined in the War Department, and will thank you to add to it such other articles as are by you regarded contraband of war, or as have been prohibited by order of the War Department, so that the list of contraband and prohibited articles may be complete, and in order to insure uniformity in the several military departments in carrying out the regulations.

Very respectfully,

W. P. FESSENDEN,
Secretary of the Treasury.

Hon. E. M. STANTON, *Secretary of War.*

1986. Are there regulations in regard to provisions?

No; that was one of the very things I endeavored to ascertain definitely about. I found that provisions were not always considered contraband of war, although they were sometimes, and under some circumstances.

1987. Was there any rule or regulation in regard to the shipment of provisions, pork, flour, bacon, coffee, sugar, candles, &c.?

None specially that I know of, unless they were included in some order of the War Department. The War Department would occasionally send us some order on the subject, which we would immediately transmit to all the collectors. I do not recollect seeing any order prohibiting the shipment of any of the articles you have named.

1988. Can you make a rough estimate of the amount of money the government has received from this trade in cotton, so far as you are able to do so, from your observation?

It would be a mere guess. I should be surprised if it exceeds, at this time, three or four hundred thousand dollars.

By Mr. Eliot :

1989. Have there been any parties connected with those who have obtained permits, except those you have mentioned?

I have never known who the parties were. I had supposed these parties had associates. I had supposed, for instance, that Mr. Swett had his associates; he told me so.

1990. Have you had any reason to believe that any parties connected with the department were interested in any way?

Not the slightest; I have never known any such thing to any extent whatever. I want to say, for you will understand that I am, to a certain extent, myself on trial, that I do not know that there has been any favoritism shown in the contracts that have been made. I do not know that anybody has come to me, up to the time I was directed to suspend, who has not got substantially what he wanted. I was hard at work making these arrangements, in connexion with other labors. I was made a sort of breakwater to this cotton-tide. My rooms were filled with everybody wanting to make arrangements, or ascertain what arrangements could be made, for getting out cotton. I do not suppose that I have been entirely wise in everything I have done, but I have intended to act properly.

1991. In dealing with parties in New York, concerning these permits, have you had any reason to suppose there were persons interested who expected to deal directly with the rebels?

I have had no reason to think that. Parties have sometimes asked me if it was the policy of the government to buy products from across the lines. I have said that I have so understood it; that I supposed that was the intention of the law. They have asked me if I made it a condition that the products purchased should not come across the lines. I have said that I would not inquire into the antecedents of the cotton brought to me.

1992. Have you had reason to think that, under these permits, provisions of various kinds required for the rebel army were carried out?

No; I supposed the strictest guard would be kept over that by the military officers in issuing permits. It will be remembered that permits for carrying out supplies are obtained under the executive order from the military, and not the treasury authorities.

1993. Would it be possible to carry articles into the rebel country, in pay for cotton, to the amount you have named, if everything really "contraband of war" was excluded?

Parties selling products are only allowed to take back $33\frac{1}{3}$ per cent. of the value sold in supplies. It is supposed that two-thirds would be paid in money. I never supposed that the full quantity of cotton, for which contracts had been made, would be brought out—I hoped it would. I know that very large contracts have been made, but I do not think my attention was called to that point until this inquiry. I never stopped to debate that matter in my own mind.

By Mr. Washburne :

1994. What, from your whole observation and knowledge, taking into consideration the very trifling amount the government has received from this trade, is your judgment as to its policy?

I see the difficulties plainer than I did at first. I understand fully, without impeaching their motives, the objections on the part of military officers to allowing this trade to go on through their lines. They look upon it from a military stand-point alone. I see difficulties about it which I did not see, perhaps, at first. I do not know if much good is going to grow out of it. I have supposed it of vast consequence to get out cotton, and, if there could be co-operation on the part of the military and naval authorities, a large quantity could be got out.

1995. Do you mean of vast consequence to the treasury, or to the parties getting it out?

I mean to the government, in a financial point of view.

1996. To what extent is this to benefit the government, if they have only received up to this time, according to your estimate, four hundred thousand dollars?

So far as that is concerned we are only just in the beginning of the trade.

1997. Can you tell me, if you have any knowledge of it, what recent orders have been made from the War Department or military authorities in regard to this trade?

I heard, in Norfolk, that orders had been issued prohibiting anything going out from there. I have not heard anything elsewhere, except what was published in General Canby's orders.

GEORGE W. QUINTARD called, sworn, and examined.

By Mr. Washburne :

1998. State your residence and business.

I reside in the city of New York, and am a manufacturer of steam engines.

1999. Have you, since the breaking out of the rebellion, been connected in any way in trade with the rebel States?

No, sir.

2000. Have you any connexion with any parties who are engaged in trade with the rebellious States?

I have not.

2001. Are you interested in any way with any parties who have obtained from the government permits or certificates to purchase cotton?

I am acting as attorney for a man who has a permit.

2002. Have you any interest in that permit?

No interest whatever; I have a power of attorney to act for this party.

2003. Have you that power of attorney with you?

I have not.

2004. Who is the party?

Samuel Noble.

2005. What was the purport of this power of attorney?

It was the usual power of attorney to act in his absence.

2006. Who is Samuel Noble?

His residence is, I think, Atlanta, Georgia.

2007. How long have you known him?

Some six weeks, I think.

2008. What do you know of him?

I did not know the man at all. He came to me, and said he was Samuel Noble. I had heard him spoken of. I told him that if he would identify himself as being Samuel Noble I had no objection to acting for him. He had done business in New York before the rebellion broke out, and brought me several parties to identify him as being the man. He gave me his power of attorney to act for him for any business he might want done.

2009. Did the power of attorney state what the business was?

It was a general power of attorney to transact business.

2010. Did it refer to any cotton permits?

No.

2011. Was it intended to cover that?

It was.

2012. Was he a man of any means?

He had been a man of means before the war broke out.

2013. How long had he been out of the rebel lines?

Some six months.

2014. Where had he been all this time?

In the West. His family was in Pittsburg, I think. He had been in New York a part of the time.

2015. Who were his associates in New York in these cotton permits?

I cannot tell that. I do not know.

2016. Did you ever have any conversation with him about it?

He had a conversation with me about it when he got the permit.

2017. Did you ever see his permit?

Yes.

2018. What was it for?

It was for the purchase of 250,000 bales of cotton.

2019. What arrangements had he to make this purchase?

The arrangement was that the cotton was to be sent to New York. The government was to receive twenty-five per cent. aside from expenses. Of the balance he was to have twenty-five per cent., and the remainder was to go to the man he purchased from, who was to receive one-half.

2020. Was that so stated in the permit?

No. That was an arrangement he made.

2021. Who were the parties with whom he made these arrangements in the city of New York?

He did not make any arrangements with any one except me.

2022. Was it not necessary for him to raise money?

I let him have \$900 to pay his personal expenses.

2023. Was that all the capital he had to get out 250,000 bales of cotton?

He did not expect to advance any money on the cotton.

2024. Had you not some interest in the cotton?

No; not in the cotton.

2025. Have you none in this transaction?

I had nothing to do with the permit, and no interest in it.

2026. Where is Mr. Noble now?

At Savannah.

2027. How long has he been at Savannah?

About three weeks.

2028. Have you heard from him?

Yes.

2029. Has he got any cotton?

The last letter I received from him stated that some 243 bales of cotton had been put in his hands, that is all.

2030. Is that all out of the 250,000 bales?

Yes.

2031. Did Mr. Noble never intimate to you in any way who his associates were in this transaction?

He attended to all his business of getting a permit. I do not know how he operated or through what channel he operated.

2032. What led him to select you as his agent particularly?

I have a brother, a minister, in the South, with whom Mr. Noble was very well acquainted, and who married him, and when he came to New York came directly to see me, having heard of me through my brother.

2033. Did he bring a letter from your brother?

Not directed to me.

2034. How did you know that your brother married Mr. Noble?

Mr. Noble told me so.

2035. Did you ever hear your brother speak of him?

He spoke of him in his letters to me.

2036. When were these letters received?

The last letter I received was some time last summer.

2037. Have you not heard from him in relation to Mr. Noble since last summer?

No, sir.

2038. How did he happen to speak of Mr. Noble?

My brother was anxious to get some property saved for him, and wanted if I could do anything for him to do it.

2039. Was Mr. Noble outside of the lines at that time?

He was in the rebel lines.

2040. Did he come out of Atlanta before the city was taken by our troops?

I think not. Mr. Noble was an Englishman.

2041. Was he not a rebel as well as an Englishman?

No. I think not—in fact, I know not. He had never taken any interest in politics. He remained there because his property was there. He had a rolling-mill.

2042. And that is the only knowledge you have of the Noble transaction of any description?

That is all.

2043. Do you know of any other matter connected with the trade with the rebellious States?

No. I have not had anything to do with any operations in the south in any shape or form.

By Mr. Eliot:

2044. Does it make any difference to you whether Mr. Noble succeeds or fails in this matter?

No, sir. Only to the extent of \$900.

2045. Then your compensation does not depend upon that?

No. I am merely acting for Mr. Noble as a friend, whose property was all destroyed at Atlanta.

2046. Not for any compensation?

Not at all. I have no claim upon him.

2047. Do you know in what way this cotton was to be paid for?

It was to be paid for on its arrival in New York. There was to be no money paid in the south.

2048. Were no articles to be carried into the rebel lines in payment?

None at all, I think.

2049. Were they all to be paid for in New York in money ?

The permit reads, I think, that he should have permission to take goods, "except articles contraband of war," to any port that was opened to trade.

2050. Do you know whether he had made any arrangement to carry goods ?

He had not made any arrangement.

2051. Was the cotton all to be obtained in Georgia ?

In any part of the South where he could get it.

2052. What points did the permit cover ?

The whole Southern States, wherever he could get cotton out through the lines.

Colonel L. C. BAKER called, sworn, and examined.

By Mr. Washburne :

2053. Please state your residence and position.

I reside in Washington, and am special agent of the War Department. I have charge of the National Detective Police.

2054. How long have you occupied that position ?

Since February, 1862. Previous to that, since July, 1861, under Mr. Seward, of the State Department.

2055. Have you at any time had any knowledge or connexion with the subject of trade with the rebellious States ? And if so, state what knowledge you have, what connexion, and what persons you know of being engaged in it.

In the month of November last, previous to the election, while I was stopping at the Astor House, New York, I was approached by Mr. Haskell and Mr. Latham, for the purpose of procuring a permit to get Beverly Tucker from Canada, and pass him through our lines. I was told by Latham and Haskell, that Mr. Durant, Mr. Dole, Ward Lamon, and Mr. Swett had made application to the President to procure a pass to allow Beverly Tucker to pass through our lines, ostensibly for the purpose of seeing his family, but really for the purpose of assisting them in getting cotton out. I gave them no direct answer at that time. I came to Washington, saw Mr. Dana, the Assistant Secretary of War, gave him verbally the conversation I had had with these gentlemen, and told him I was satisfied they were attempting to use me for improper purposes ; that I was satisfied there was a great deal of irregularity and rascality in regard to these cotton permits. He gave me his sanction, and the approval of the War Department, to make such arrangements and such investigations as I thought proper. I returned to New York, and was introduced to Mr. Durant by Latham and Haskell. Durant wanted me to go to Canada, and bring Tucker to his house in New York, to remain six hours, alleging that he could make his arrangements with Tucker in five or six hours. I was then to take Tucker, and cross him over the Potomac, below here, and take him within the rebel lines, for which I was to receive a contingent interest in all the cotton got out under this arrangement. I came back to Washington, and reported to Mr. Dana, of the War Department, detailing to him the conversation I had had. I then met Latham and Haskell. Haskell gave me a note for \$1,500, which was to be received by me in payment of personal expenses and incidental expenses incurred in getting Tucker through the lines. The note was signed by Haskell. There was appended to it, on the same sheet of paper, a memorandum or agreement, between Haskell, Latham, and Durant, as to what Durant was to do. I understood from Latham that Durant refused to sign the note for me, but gave Haskell a guarantee, in the shape of an order, for the amount he should pay to me. There was also a letter given me from Mr. Latham. I carried that letter of Latham's, the statement of Haskell, and the note, to Mr. Dana, who, I suppose, has them still ; I left them in his possession. I was to have met Tucker at St. Catharine's, opposite Niagara Falls. I was to have met Tucker, George Sanders, and Jake Thompson. I took one of my detectives, by the name of John Odell. I had an order from the War Department in my pocket, and Odell had an order from General Dix, for the arrest of these parties : when Tucker came across the bridge with me he was to arrest us both. I stopped at the falls, and sent a despatch over to St. Catharine's, to ascertain if Tucker was there. I received an answer to that despatch, signed by a man by the name of Cox, stating that Tucker was not at St. Catharine's, that he had gone to Montreal, but that he, Cox, would see me. I went over the suspension bridge that day, and remained all day on that side ; but Mr. Cox did not come. While at the bridge, I do not recollect whether I had a despatch or a letter that the parties were at Montreal. I immediately returned to New York ; and, instead of going to Durant, and reporting to him, I came direct to the War Department, and reported to Mr. Dana. I informed Mr. Dana that I was going to Montreal, with his approval, for the purpose of getting Tucker. On my way to Montreal I stopped at New York, to see Durant. In the mean time, the report had been circulated by Tucker and Sanders that Stephens, the rebel vice-president, was on his way to Montreal, and they gave that as the reason why they left St. Catharine's, and why they did not see me—that they

wanted to see Stephens first. I had a long conversation with Durant in New York. When I went into his room he locked the door. He had heard the story with reference to Stephens being in Canada. He said, whether the report was true or not, there could be a fortune made out of it by certain operators in gold on Wall street, if they had definite information that Stephens was there or on his way; that when I got to Montreal, if I would send a despatch that Stephens was there, and send it to no one else, he would make \$100,000, one-half of which was to be placed to my credit. He sat down, in my presence, and wrote a long letter to Tucker, which I carried to Tucker myself. I took Odell to Montreal, with the expectation of getting Tucker through the lines at Rouse's Point, where Odell had his instructions to arrest him. I arrived at Montreal some time during the morning, went to the St. Lawrence hotel, wrote a fictitious name on a card, as from Washington, and sent it by a waiter. The waiter came down, and told me to walk up to a room, which was not Tucker's room; Tucker was in bed. The room I was taken to was Sanders's room. Tucker, after a few moments, came in. He said he had received advices from Durant that I was expected there, and that he had sat up nearly all night awaiting my arrival. He was glad to see me. He hoped now that his cotton operations would come to a focus. He had been in correspondence with Durant for a long time, but had failed to bring him up to the mark. He did not want to be engaged in it until the contract was signed by Durant. He was afraid that if Durant had him through the lines, and got him in his power, he would not divide the profits with him. He had written to Durant several times, asking him to make a contract that should be executed. I asked him if he was ready to go through the lines. He said he was; said he, "I suppose this thing is understood: I understand that, from what Durant has written me, you are all right; that you have the means of carrying out this operation, and, if I go with you, I will be personally safe." I told him that I had an understanding with Durant. He sent down stairs for Sanders. Sanders came up, and they went into another room, and were gone for, perhaps, an hour. I was not present at that interview. Tucker came back and said, "That, under the advice of his friends, he did not think he would go; that he was not satisfied with the way Durant was treating him. That Durant had failed to make a written contract with him; and that, while he was willing to trust me, he would decline to go south until the contract had been executed." He then asked me a great many questions as to parties who were interested with Durant, and a great many other questions I do not recollect. He asked me to go and dine with him. We went to a saloon, and had dinner. I spent the afternoon with him. He treated me very handsomely. He was to have met me at Rouse's Point. This was on Friday. He was to have met me at Rouse's Point on the Sunday night following; but when I got to Rouse's Point I received advices from Washington to come home, and I came home.

2056. Was that the end of the whole thing?

That was the end of the whole thing.

2057. What advices was it that brought you home?

It was some matters of my own, in reference to an investigation I was conducting in New York.

2058. And you did not wait for Tucker?

I did not wait for this reason, not so much on account of my own business as because I believed Tucker would not come.

2059. Do you know whether he did come or not?

I do not.

2060. What took place afterwards?

I did not call on Durant when I came back to New York. I came direct to Washington. I found Latham, Haskell, and two or three others, who, it appears, knew I had gone to Canada. They came and asked me if Tucker had come with me. I said no, that Tucker refused to come for the reason that he was not satisfied with the way Durant had treated him; that he thought Durant was trying to get the advantage of him, and he would not come. During the time I was carrying on this operation I became very well posted as to all their plans. It appeared that it was known among all the cotton speculators, and they would come to me and talk with me confidentially about the matter.

2061. You say you took a letter written by Durant to Tucker. Can you state the contents of that letter?

It was simply introducing Colonel Baker, and asking Tucker to come on with him; that he was satisfied he could trust himself in my charge; asking him to come with a view of perfecting a contract. It was a long letter; I do not recollect the whole of it.

2062. Did you ever see any other letter from Durant to Tucker?

Yes, sir.

2063. What were its contents?

I saw a number of letters in the hands of Tucker. He showed them to me. They were all in reference to cotton speculations.

By Mr. Eliot:

2064. Were they signed by Durant and addressed to Tucker?

Yes, sir.

2065. What did the letters state?

They were in reference to cotton, and in reference to Tucker's coming south. Durant writes in one letter that he had secured sufficient influence to procure a permit from the President. I am not certain, but I think he gave the names of the persons who would go to the President and get this permit.

2066. Do you recollect who they were?

I do not recollect who they were; my impression is that Randolph Martin was one, and that Mr. Swett was another. He also, in his letters, stated that there would be a fortune made out of these cotton permits if he (Tucker) could be passed through the lines.

2067. Was there anything said in any of these letters in regard to military movements?

I think there was, in general terms, but I would not undertake to say that. I tried to get possession of some of these letters, but I did not succeed; I was not on the right side of the lines.

2068. Did you ever see the letters written by Tucker to Durant?

Yes; Durant, I think, read me one letter from Tucker, but I do not recollect what it was. I think he read portions of two or three letters. In talking with Durant about his arrangements with Tucker in this cotton trade, he told me what Tucker wanted, and some of Tucker's suggestions as to how the thing was to be done, and then read me portions of letters.

2069. State what it was.

I do not recollect what it was. This was at the first interview I had with Durant, and I did not attach as much importance to it as I did afterwards.

2070. What appeared to be the object of Tucker? Was it to make money for himself, or for the purpose of getting supplies to the rebels; was he acting as a rebel agent, or for himself individually?

He told me he was an agent of the rebel government, and in speaking of that government he always used the expression, "our government," and that "our government" was willing to let cotton come out, and that "our government" was willing to do so and so. These were the expressions he used.

2071. Did he appear to be acting for himself, making a private speculation of this matter, or as an agent of the rebel government for the purpose of letting cotton go out and letting supplies come in?

I inferred, from all his conversation, that he was an agent of the rebel government.

2072. What supplies were talked about? In what was this cotton to be paid for?

There were several articles mentioned. I think pork and bacon were spoken of. I think in one of the letters Durant read to me from Tucker, Tucker mentioned pork; I am sure of it. My position was such with these parties in relation to the whole matter that I could not get papers into my possession. I could not attempt that, as that would have defeated my object. My sole purpose was to catch Tucker.

2073. Was this transaction contemplated to be upon a large scale?

Very extensive.

2074. How large?

I do not know. Tucker told me he could get 500,000 bales out. He told me that there were about 60,000 bales on the Tombigbee river. The man, he said, was in Canada, and had been talking about that lot of cotton. He described it to me, and also how it could be gotten out; that boats were to run up for it, and that he (Tucker) had exclusive control of that cotton. That was to be a portion of the cotton gotten out in this transaction.

2075. Did you understand, during this time, that Durant was acting with the assent of the War Department or government in making these contracts with Tucker?

Not at all. No such conversation was had in my presence. I talked to Durant very freely, or with him, in reference to this whole matter. I had long conversations with him.

2076. How much money was it considered you would make if you went into it?

Haskell thought I would make about \$80,000 for my share.

2077. What was the reward of Haskell and Latham to be?

They expected to make about the same. I think my share was one-sixth.

2078. What other parties were in the matter? Were those who went to see the President?

I cannot say about that. The only ones I know positively about are Haskell and Latham. I had no conversation with the others at all. It appears that Haskell and Latham were in constant communication with "the ring," as it is termed, and they were the medium through which I communicated.

2079. Who comprised "the ring?"

I do not know; a great many.

2080. Were the responsibility and risks you incurred to be the consideration for your share of the profits?

I think I stated that my engaging in it would involve great risk and great responsibility as an officer of the government, and that its exposure would be a very serious thing to myself as well as to him. I talked with Mr. Dana several times about it before I went into this thing. I was very anxious to get at these parties, and in my business I considered that anything was legitimate and honorable that would bring to justice a clique or company of men who were banded together for the purpose of swindling the government.

By Mr. Washburne :

2081. Do you know of G. F. Train being mixed up in this matter?

Only from what Durant told me.

2082. Did you see any parties with Durant except those you have named in New York?

No others, I think. My interviews with Durant, except the first one, were private, alone by ourselves.

2083. Was Durant's clerk with you?

No.

2084. Did he speak of sending him as a messenger to see Beverley Tucker?

No; it was proposed at one time that Latham should go. Latham was in Durant's employ. Latham proposed that himself, and Durant spoke to me about it. I opposed it. I said I did not think it was advisable.

2085. Why not?

I did not think he was a proper man. He is a man who talks a good deal, not a discreet, judicious man by any means.

2086. Do I understand you that Latham has been in Durant's employ?

Yes, and I suppose he is now. I do not know anything to the contrary. He pays him \$200 a month. He told me that himself.

2087. You state that Durant showed you some letters received from Beverley Tucker; do you remember whether he took them from his files?

I do not recollect where he took them from now. I recollect he had some trouble in finding one letter, and that it was buried up in a lot of papers on his desk.

2088. Did you see Beverley Tucker's name signed to the letters?

I did not. He read them to me, though, as letters coming from him. There is no question about his receiving a great many letters from Tucker.

2089. Where did this proposition to go into this transaction originate?

I think it originated in New York, at the Astor House.

2090. Who originated it?

I think Latham was the first man that mentioned it to me.

2091. What did Latham say?

He said a great deal of money could be made provided Beverley Tucker could be got through the rebel lines, and that a great effort had been made to bear upon the President to get him to permit Beverley Tucker to go through the lines to Richmond. He said, "Now, colonel, you can do this thing for us; I have been talking with Durant, and you can make all the money you want." I asked him, "How?" and he said, "Let us go up in your room and I will tell you." He went up into my room and he then opened his plans to me. He said he had been talking to Durant, and he had assured Durant that I was a safe man, that he thought I could be trusted. He wanted me to go and see Durant the next day. I said I could not, and I then came to the War Department and reported what I have said.

2092. Then I understand you to say that the object of bringing you into this transaction was the influence you would have in getting Tucker through the lines.

Latham told me I was the only man who could safely undertake this thing; that I was the only man Tucker would go with.

2093. When you visited Tucker, did he seem to know all about you?

Certainly, he said he knew all about me, that he sat up all the night before waiting for me. He made that excuse for being so late in the morning.

2094. What idea did these men have that you had betrayed your trust as an officer of the government?

They had come to the conclusion that I had betrayed my trust for the amount I was going to receive, that I was in earnest, and that Tucker was really going to Richmond in my charge.

2095. Have you seen Durant recently?

No, he came up to my rooms at the Astor House about a week or ten days ago and wanted to know whether I knew anything about the news of negotiation for peace. It was about the time the President was down at Fortress Monroe. Said he, "If you can let me know, there can be a great deal of money made."

2096 Has that note for \$1,500 arrived at maturity?

I believe it has. I had a great many other matters on my hands at the same time, a great many investigations going on, and my memory is not as distinct on that point as it would otherwise be.

2097. Have Durant or Latham ever offered to pay money to you?

Yes, they have pressed it upon me, but I have not taken a dollar. When I came back from Canada they wanted me to take \$500, but I said, "Wait until this thing is closed up." When I came back the second time, Durant wanted me to take a check for \$1,000. He took his check-book and said, "I think you ought to have some money," but I had been advised by Mr. Dana not to take any money. I was told that all my expenses would be paid by the War Department.

By Mr. Eliot :

2098 Did you not have some reason to know that other parties were connected with Durant?

Durant had two permits which, I believe, Haskell was supposed to be interested in, and others had permits which Durant had nothing to do with, though in procuring those permits and in getting cotton through the lines it was understood that Tucker was to assist Durant and was to have a share in the cotton gotten out under his contract; that he was to act as a sort of general agent for the whole of them. I know that matter was talked over.

By Mr. Longyear :

2099. Do you know the names of any parties holding permits, who were to receive the benefit of that arrangement?

I only know from what Latham told me. I have had a great many interviews with these cotton men. They expected my influence and they bored me nearly to death.

2100. Do you know of any agents or employes of the government who are engaged in these cotton transactions?

I know nothing of my own knowledge.

2101. You do not know of any officers or employes of the government who have been interested in these transactions, or have received any money or have been promised any money for their influence in getting through contracts or permits?

I have no knowledge of my own of any.

2102. Do you know of anybody who does know of any?

I suppose Haskell knows of money being paid at the Astor House.

LEONIDAS HASKELL recalled and examined.

By Mr. Washburne:

2103. In respect to the agreements which you produced here when last examined, can you state whether or not at the time they were made there were any indorsements of anything across their face in red ink by Mr. Durant?

No, sir; they were not original agreements, but copies, but there was nothing on the original agreement that was not on the copies, except the signature of Mr. Durant.

2104 Do you know of anything having been written across these agreements at the time they were executed?

I know there was not; the agreement was left in the hands of Latham; what has been done since I do not know. I have his receipt to deliver it up on the joint order of Mr. Durant and myself.

2105. If there has been anything written across the face of the agreement there in red ink it has been written since its execution?

Yes, sir.

2106. Do you know who the parties were who were interested in getting these permits for Mr. Durant?

Mr. Martin, I think, and I believe Mr. Corwin and Mr. Stewart. Stewart acted in the matter as far as I know.

2107. Do you know of any money being paid to any person connected with the government in connexion with these contracts and certificates?

I cannot say that I do know of any.

2108. Do you know of any money promised to be paid?

Only by rumor. I have no knowledge of anything of the kind. I think there are parties who do know; but I do not.

2109. What parties know?

I think Mr. Latham knows more about that.

2110 Where is Mr. Latham now?

I suppose he is in New York.

CHARLES A. DANA called, sworn, and examined.

By Mr. Washburne:

2111. Be good enough to state what position you occupy?

I am Assistant Secretary of War.

2112. Do you know Colonel L. C. Baker?

Yes.

2113. Has he held any position in connexion with the War Department; and if so, what? He has been employed as special police agent of the War Department.

2114. Was he such agent in October and November last?

Yes.

2115. Do you know anything of an arrangement which he made, or intended to make, with any party or parties in New York or Canada in relation to getting out cotton from the rebellious States? and if so, state particularly and fully all your knowledge in relation thereto.

Colonel Baker came to me some time—as nearly as I can now recollect—in the month of October, and reported to me that certain parties, who had obtained permits to bring out cotton from the rebellious States, were anxious that he should assist them. What they especially desired of him was that he should get Beverley Tucker through the lines from Canada to the southern States, in order that Tucker might complete the arrangement in the south for delivering cotton, which they had already made with him for buying it. He, Baker, stated that he had received proposals which he wished to report fully to me. That these parties had proposed to him to get Tucker through by permission of the War Department, on condition that Tucker should furnish information of great value to the War Department. If that was refused, they had proposed to Baker that he should smuggle Tucker through, and that in that event they had offered to pay him \$10,000 for smuggling him through. I inquired who these parties were, and he told me that he knew of a Mr. Latham, Mr. Ward Lamon, Mr. Swett, and some others whose names I do not now recollect. I think he told me that Mr. J. B. Stewart, Mr. Risley, Thomas C. Durant, and Leonidas Haskell were also concerned in it. I understood from Baker that he had seen Latham and Haskell in regard to this proposition. Baker showed me no original writings from any of them; this was a mere rebel report. He desired to have from me instructions in the premises. I said to him that I would have no stool-pigeon operation; that I would not authorize him to make any arrangements by which Tucker should be induced over into the United States in order that he might be arrested, but I instructed him to go on and possess himself fully, if possible, of all the designs of these parties, and if he should know that Tucker was coming over to inform me of it, in order that I might take measures to have him arrested, as I regarded it important that he should be arrested, if he should come within the territory of the United States; but I instructed him explicitly that Tucker would not be passed through the United States to go within the rebel lines, but that no deceptive proceedings to seduce him here for the purpose of arresting him would be authorized. Baker afterwards reported to me from time to time, and brought me copies of various papers.

2116. Did you see, among the papers presented to you, a note for \$1,500?

My impression is that there was a copy of a note, or a memorandum of a draft of a note, but I have not had any original note. I have not had an original signature of any of the parties Colonel Baker has reported as being engaged in this transaction, nor have I any evidence that they were so engaged except his verbal report.

2117. Did he make any further report to you except such as you have stated?

He has reported to me at various times that B. F. Camp was engaged in trade with the rebel authorities and corresponding with them, but he has never brought me any papers to prove it. He reported to me from New York that at such a date Tucker was going to cross the Niagara river, and orders were thereupon sent to General Dix to have him arrested; but Tucker did not come and was not arrested.

2118. What did you understand Baker's object to be when he came to you in the first instance?

I understood his object to be to perform his duty by reporting to me what was going on in order that the Secretary of War might give such directions as he thought necessary.

2119. And that he had taken these measures in order to get information in regard to these transactions?

I understood Baker that they approached him in the first place, and that they proposed that he should get permission from me for Tucker to go through the lines.

2120. And the purpose of that was to enable them to carry out this contract with Tucker?

Yes; Baker has reported to me, also, that agents from Tucker have been in New York to see Durant within his knowledge. I have had several reports from other secret agents in New York, that men from Tucker, or other rebel representatives in Canada, have been

in New York, and have there had interviews with Durant, but I never got any information of a sufficiently positive character to act upon it, in the way of proceedings before a court-martial or military commission, which would be the regular way of treating such cases.

2121. What is the course usually pursued by the War Department when parties are found contraband trade with the rebels?

The evidence is taken and submitted to the Judge Advocate General, and action is taken in accordance with his report. If he reports the evidence as sufficient to bring the parties before a military tribunal, they are tried; if he reports that it is not sufficient, then we wait until we can get more evidence. No parties are ever proceeded against by military justice without his report. All such cases are submitted to him before they are acted upon.

2122. Was the case of Durant ever made up and submitted to him?

Never; for the reason that the evidence was never sufficient; it was all of a hearsay character.

2123. Had Durant at any time any authority or permission from the War Department to correspond or negotiate with any person or persons within the rebel lines or elsewhere to carry on trade with States in rebellion?

No, sir; neither directly nor indirectly.

2124. Did he, to your knowledge, ever apply for such permission?

He never did.

2125. Has Durant, to your knowledge, ever kept the War Department informed of his proceedings with Beverley Tucker, or with any person or persons?

Never.

L. C. BAKER recalled and examined.

By Mr. Washburne:

2126. Since your last examination have you anything further to state in regard to the note and letter you spoke of?

Nothing, except to produce the documents themselves, which I had supposed were on file in the War Department, but which were afterwards found in my office, and are as follows:

\$8,500 00.]

WASHINGTON, D. C., November 11, 1864.

For value received I promise to pay to the order of ——— eight thousand five hundred dollars out of the first moneys received out of the profits of an agreement made with T. C. Durant in reference to cotton operations, made in New York city on November 10, 1864.

LEONIDAS HASKELL.

NEW YORK CITY, November 10, 1864.

T. C. DURANT, Esq., No. 13 William street:

Please pay to the order of ——— fifteen hundred dollars, as per agreement made with you this day.

\$1,500 00.

LEONIDAS HASKELL.

DEPARTMENT OF THE INTERIOR,

Washington, D. C., November 2, 1864.

Colonel BAKER:

MY DEAR SIR: I was hurried off last evening and had no time to call and see you or to write

I have agreed with General Stanton that he and General Dole shall see the President to-night, and, with my letter in regard to what you have done laid before him, insist that, without delay, your services and fidelity shall be rewarded by your appointment as brigadier general.

Please *bluff* any party that may come to you about B. T., unless it shall be Major Haskell; in that case you can hear him as you would me.

Your friend,

R. W. LATHAM.

2127. In whose handwriting is this note?

It is in the proper handwriting of Mr. Haskell: I know it as such.

2128. Do you know the handwriting of R. W. Latham?

I do.

2129. Is this letter you have handed to the committee in the handwriting of Mr. Latham?

It is.

2130. I see that this letter speaks of your appointment as brigadier general; what is the significance of that?

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That was a part of the consideration for getting Tucker through the lines as before stated, that I was to have that rank.

2131. What does "Please *bluff* any party who may come to you about B. T., unless it be Major Haskell," mean? who does B. T. refer to?

To Beverly Tucker. It means that he does not want me to make any arrangements with any other parties outside the ring.

2132. Whose name was to be put into the blank of this note filled for \$8,500?

It was to be filled with Haskell's name, who was to indorse it over to me. The draft upon Durant was to be filled up with my name.

2133. What influence was to be brought to bear in obtaining your appointment as brigadier general referred to by Latham in this letter?

Latham informed me that he had seen Dole, Swett, and Ward Lamon, and they were to go to the President at the same time and insist upon my promotion to a brigadier generalship.

2134. Do you know whether or not they went?

I was told that they did.

2135. What was the result?

The result was that the President held the matter under advisement.

TUESDAY, February 21, 1865.

Members present:

Representatives.
Mr. WASHBURNE.
LONGYEAR.

LEONIDAS HASKELL recalled and examined.

By Mr. Washburne:

2136. Have you had a pretty good knowledge of the permits or certificates and contracts which have been made by Mr. Risley?

Of quite a number of them I have.

2137. I hand you a list of contracts, which purports to be a full list of all the contracts made by Mr. Risley as contained in a report from the Treasury Department to the Senate; will you look over it and then state to the committee if you know of parties who have had contracts whose names are not in that document?

In the first place, I find several errors in this document.

2138. Point them out.

The first one that strikes me is to Moore, Conatty & Co. for 15,000 bales. That contract, when I saw it, called for 50,000 bales. In the contract to Leonidas Haskell and T. J. Conatty my name does not appear at all. No such permit was ever granted to me. There was a permit granted to Thomas J. Conatty for 20,000 bales. The contract with Nathaniel F. Potter purports to have been executed December 27, 1864. It was not signed by Mr. Risley until a very long time after that.

2139. How do you know that fact?

I lived by the side of Mr. Potter last summer. I had been to Mr. Risley for one of these contracts, and having been applied to by Mr. Potter—I wanted to serve him—I told Mr. F. P. Stanton of the fact. He said he would get one for him. A contract was written out and sent down to Potter, which he forwarded back to me. This was, I think, late in January, 1865. I neglected to hand it to Mr. Stanton for several days, and did not do it until I heard that no more permits were to be granted. I then handed it to him, apologizing for my neglect. Consequently it could not have been signed until after that.

2140. How do you account for the date given there?

I cannot account for it unless it was antedated.

2141. At the time you handed this to Mr. Stanton did you understand that instructions had been given by the Secretary of the Treasury that no more contracts should be made?

Conatty told me so.

2142. Is it your inference that the contract was antedated to a time previous to that when the Secretary of the Treasury had issued his instructions that no more contracts should be made?

I have no positive knowledge of that whatever. I was so informed by this man who had been a clerk under Mr. Risley. I know the contract was not signed until after that of Samuel Noble was signed, which was dated on the 6th of January, 1865.

2143. Do you know anything about this Mr. Noble?

I only know that I happened to be in the room when the proof of the contract was being read, and saw him there.

2144. Do you know with whom he was connected in the transaction?

I was told with Thurlow Weed and George Law. I saw these gentlemen round there.

2145. Did you see them round there at that time?

I did.

2146. Where was this?

At the Astor House.

2147. What connexion did Mr. Weed and Mr. Law have with Mr. Noble?

They seemed to be with him; they seemed to be one party consulting together.

2148. Were they present with Mr. Noble and Mr. Risley in the same room?

Yes.

2149. About what time was this?

It was about the 6th of January, at the Astor House.

2150. Have you any other reason to suppose that Mr. Law and Mr. Weed were engaged with Mr. Noble in this contract except the fact that they were present and in consultation with him and Mr. Risley?

I was told by Conatty, who drew all the papers at the time, that they were interested with Noble in the contract.

2151. What further did Conatty tell you about this contract with Noble?

He referred to its being a good contract other than in respect to the quantity of bales.

2152. In what respect?

In respect to the privileges and facilities that it afforded Noble more than others.

2153. What privileges and facilities did he allude to?

It contemplated having an agent to accompany the vessel with goods to the point where the cotton was, to be ready to make the exchange as soon as the cotton was brought out. That was the main feature of it.

2154. How was that agent to go?

He explained it in this way: A vessel loaded with goods, not contraband of war, might proceed in charge of an agent, for instance to Savannah, and then still in charge of that agent proceed up the river to Augusta, and there, still under charge of the government agent, exchange the goods for cotton.

2155. Upon what ground did Conatty suppose this contract would be on better footing than others, other than that you have stated?

Not otherwise except in the number of different points where they might deliver the cotton.

2156. Did you know of Mr. Quintard being connected with this matter?

No, I never heard that he was.

2157. What do you see in this document peculiar about the contract of Lovie, Brooks & Camp?

I see that it purports to be dated on the 16th of November, 1864. That contract was signed in January, 1865, at the Astor House.

2158. Why was it signed at the Astor House?

I heard that it was from Conatty.

2159. What did Mr. Risley appear to be doing at the Astor House?

Doing this business.

2160. How came he there; where was his regular office?

I had always been informed that his office was at Norfolk.

2161. Why was he in New York doing this business?

I do not know; I know that he was there.

2162. How long was he there?

Most of the time for three or four weeks.

2163. Did he open an office there?

No; he had different rooms at the Astor House?

2164. How many different rooms?

I have seen him go into No. 4, No. 11, and the large room next to the hall, I think No. 2.

2165. What was he doing in these rooms?

I saw people going in and out; it was a matter of notoriety that he was making these contracts.

2166. Was he doing a large business?

Quite a large business; he had a great many people seeing him.

2167. What was the understanding in relation to these contracts by the people round there?

They all seemed to be pretty well satisfied when they got them.

2168. Could everybody get them who applied?

No, I do not think they could.

2169. Do you know what the object of Mr. Risley was in changing his quarters from the Treasury Department to the Astor House?

I have no knowledge on that subject.

2170. Were you around the Astor House a good deal at that time?

Yes. I never was in his room.

2171. What was the influence which secured this contract of 20,000 bales?

Conatty obtained it.

2172. What was the consideration which induced Conatty to take hold of this thing?

One-fourth interest in it.

2173. What was the position Mr. Conatty occupied at that time towards Mr. Risley and towards the government?

If there is not a mistake in the date as given here, he was a clerk in the Treasury Department.

2174. Do you know of Conatty having an interest in any other contract except this one?

Only in this and in that of Moore, Conatty & Co.

2175. What did you consider this contract worth?

It would have been very valuable if it had been carried out as I hoped; it would have been worth \$100,000 easy enough.

2176. What do you consider it worth now?

I do not consider it worth anything. I never had much faith in it, but if it could have been carried out it would have been quite valuable.

2177. Do you know of Mr. D. Randolph Martin, president of the Ocean Bank, having been engaged in these matters?

Yes, he was the first man who called my attention to them.

2178. Who are Mr. Martin's associates, as far as you know?

Mr. Dole. He told me that there were twelve interests, and he gave that as a reason why my interest must be only one-twelfth in anything he could do with me.

2179. Who did he say were the owners of these twelve interests?

He did not say definitely. He named Mr. Dole and introduced him to me in that connection. He also introduced me to Mr. Ellery, whom he had appointed agent.

2180. Did Mr. Martin say he had had Mr. Ellery appointed agent?

Yes.

2181. What were the considerations which induced him to have Mr. Ellery appointed?

A desire to have facilities for operating in cotton on the Mississippi.

2182. Was it understood that Mr. Ellery could furnish him better facilities than others might?

He told me Mr. Ellery might furnish better facilities to him than to strangers.

2183. Did he tell you Mr. Ellery was interested in the matter?

Not definitely; I have always had that impression.

2184. Do you know of Mr. Martin having visited Memphis since Mr. Ellery has been there?

Yes.

2185. Do you know of his getting out cotton there?

I do not; I have not seen him since his return; he urged me strongly to go there with him.

2186. For what purpose?

To operate in cotton.

2187. Do I understand you to say that you had this one-twelfth interest promised you in that concern?

Yes. I introduced him to parties who I supposed could get cotton, in consideration of which I was to have one-twelfth interest. The parties to whom I introduced him were also to give me a portion of their interest, so that I was to have one-sixth altogether.

2188. Have you ever received anything?

Not a cent.

2189. What is the reason you have not?

No one has ever received anything, that I am aware of.

2190. Where was Mr. Ellery from?

I think his office was 84 Wall street.

2191. What was his business?

I should think a broker. He had a small office in the basement.

2192. Do you know who else except Mr. Martin was interested in getting Ellery appointed?

Mr. Martin claimed his appointment over Mr. Yeatman.

2193. Do you know anything about a permit issued to Horace H. Meloon?

I know he had a permit. It was made in the Astor House previous to the 4th of January.

2194. Who was this Meloon ?

He was a Californian, and was formerly with Andrew J. Butler.

2195. What were the considerations upon which that contract was founded ?

He professed to have cotton and other things.

2196. Who was interested with him, if anybody, to your knowledge ?

Other parties in New York, but I cannot say who they were. A person told me he knew, but he would not tell me their names.

2197. This contract purports to have been signed the 27th of December, 1864 ; was this antedated ?

I think that date is right.

2198. How did he expect to get out this cotton, turpentine, rosin, and tobacco ?

I was informed that he had a vessel already loaded, with the expectation of putting such an agent on board as was contemplated in the contract with Noble, and to have followed our fleet into Wilmington.

2199. Did he profess to have peculiar privileges ?

Yes.

2200. What were they ?

Authority from the commanding general.

2201. Did you ever see any authority of that kind ?

No.

2202. How did he say he was able to obtain that authority ?

It was well understood that he was a particular friend of the commanding general.

2203. What do you know about the contract with Camp, Maddox & Parr for turpentine, rosin, and tobacco ?

Mr. Camp showed me the contract as being a very valuable one.

2204. In what did its value consist ?

It consisted principally, as represented to me, in facilities afforded for going through the lines.

2205. How were the facilities to be obtained. State all you know about it from conversation with parties interested, or in any way ?

I had various conversations with Camp in relation to that matter. He told me they were succeeding very well in getting out products and taking in goods. He asked me if I knew of parties who could go into Richmond, and who it was safe to trust. I told him yes, I did. I asked him what he wanted to do. He told me that he could fill three contracts that had been given out by the rebel secretary of war, Mr. Sedden, for stationary of \$10,000 each, in gold, and that instead of paying in gold they would pay in cotton at nine cents a pound. The difficulty was to find the point at which that cotton could be delivered and the goods received. He wanted some man whom he could trust to superintend the transfer, make delivery of the stationery, and receive the cotton ; that so far as the other side was concerned it was all right, and that so far as this side was concerned it was all right. I asked Mr. Camp if I furnished this man, what interest he could allow. He said that he had to pay in one instance \$10,000 to secure a passage for one party to go down, and that one-half the whole interest in the business went to parties in Norfolk.

2206. To whom was this \$10,000 paid as you understood ?

To the parties in charge of the government end of the canal, either the military or naval authorities ; I do not know which. I asked no questions at all in reference to the matter.

2207. To whom was this half interest paid in Norfolk, as you understand ?

To different parties in Norfolk ; he did not give me the names.

2208. What did you understand him to be the whole extent of this transaction ?

He told me the profits on it would be at least \$1,200,000.

2209. Did you understand from him that it was already so divided that he could not entertain any other interest.

Yes ; he would not make any definite proposition.

2210. What was it he wanted you for ?

He wanted simply to find out through me some party who would go through the lines.

2211. Do you know to what extent Camp and his associates sent goods through the rebel lines ?

He told me they had a vessel go from Baltimore every Wednesday.

2212. Where did he say the vessel went to ?

Through the Albemarle canal to a point in North Carolina on some river—I think the Chowan. I did not ask as to the gross amount of goods sent through.

2213. What did you infer from what he told you ?

I inferred that they had been doing an extensive business.

2214. Must it not have been an extensive business to have insured a profit of \$1,200,000 on one transaction?

Certainly; unless the profits were very large.

2215. Who did Camp tell you his associates were in this transaction?

He told me the names of several in Baltimore, but for the life of me I cannot mention but one.

2216. Who was that one?

That one he mentioned on several occasions—Prescott Smith. He told me of other names which I cannot remember. I asked him if he had never sent a man through before. He told me he had sent a captain, whose name it strikes me was Adams, (I am not positive,) who went through the lines and was taken sick; that he had just received information through a lady who came from there, that he was not expected to live, and he, Camp, was feeling very badly about it. He wished I would help him out of the scrape.

2217. Then you understood the reason of his coming to you was to get some one whom he could trust to go through to Richmond, to take the place of the agent who had been taken sick there, and was not expected to live?

Yes, sir.

2218. Did you recommend him to anybody?

I told him I could, but I think he made up his mind after a while not to do anything more with me. I asked him what he could do, what guarantee he could give that the man should not get into trouble on the other side. He said he would give him letters to Mr. Seddon and Mr. Trenholm, such as would guarantee him safety on the other side.

2219. Has there anything further been said in regard to this matter between you and him?

Nothing further has been done.

2220. What was the reason of breaking off?

After that I saw a notice of the capture of the steamer Philadelphia, which Mr. Lane had. I think I introduced the subject again to Camp, and that Camp told me that the thing had got set back, and that he would do nothing more about it at present.

2221. Have you ever heard anything since?

No; nothing has been communicated to me at all since.

2222. Did Camp ever show you any papers or writing in this connexion?

No; he only proposed to give them.

2223. Did he admit to you that he had been in correspondence with any of the rebel authorities on this subject?

He did not say correspondence. He admitted to me that he had arrangements with the rebel authorities.

2224. Did he admit to you that he had had any connexion with correspondence with Beverly Tucker?

No.

2225. What rebel authorities did he refer to?

None but the two previously mentioned—the rebel secretaries of war and treasury.

2226. Did you understand from him that this large amount of stationery went through?

No; I never did. I do not know whether it went through or not. I only know that he stated to me the arrangements.

2227. Are there any other matters that you can state, connected with this investigation?

I do not know that I remember any other.

WILLIAM P. DOLE called, sworn, and examined.

By Mr. Washburne:

2228. State your official position.

I am Commissioner of Indian Affairs.

2229. Have you, since the breaking out of the rebellion, been engaged in trade with the rebellious States; if so, when, and to what extent? and if you have had any associates, state who they are.

The answer to that is, that I have had no trade any way with the rebellious States. I do not suppose that it is necessary to say that if I could have succeeded in getting a permit, though I did not follow it up much, for Choteau & Co., of St. Louis, an old partner of mine would have been benefited, perhaps; but it has failed.

2230. Would you have been benefited if it had succeeded?

There was no arrangement of the sort.

2231. Was there any understanding?

None whatever.

2232. What measures did you take in order to get a contract for Choteau & Co.?

I went to the President with Charles Choteau, and talked the matter over with him. I also introduced him to Mr. Risley.

2233. What was asked for by Mr. Choteau and yourself?

Such a permit as was the most favorable granted under the law.

2234. At what time was this?

It must have been three months since.

2235. What was the reason you did not obtain it?

Mr. Choteau was of the opinion that anything granted would not be of service to him ; he wanted some especial privileges.

2236. Did they offer to give him any kind of a contract?

I do not know that they did.

2237. What was the talk between him and Mr. Risley and the President?

The talk with the President was a general conversation in favor of getting out cotton. Mr. Choteau was telling the President of his knowledge of where cotton could be had in Arkansas in consequence of his acquaintance there and facilities for getting it out if he could get a permit to take in supplies. Without that a permit would not do him any good.

2238. Did he get anything from the President?

Not to my knowledge. I think not. I never heard that he did.

2239. Did Mr. Risley agree to give him any kind of a contract?

Not that I know of. I think Mr. Risley referred him to the agent at Memphis.

2240. Do you know whether he went to the agent at Memphis?

He was in Memphis soon after he was here. I do not know whether he did or did not get anything there.

2241. Have you heard anything from him since?

I heard after he had returned from St. Louis that he had failed to do anything, and had given the matter up. That is my information about it.

2242. Have you had any connexion in this matter with Mr. D. Randolph Martin, president of the Ocean Bank, New York.

None at all, more than Mr. Martin was with us at the time Mr. Choteau was with the President.

2243. What object had Mr. Martin in being there?

Mr. Martin wanted, I think, something for some friends of his in New York.

2244. Did he get anything of the President?

If he did I never knew it.

2245. Did he get anything from Mr. Risley afterwards?

If he did I am not aware of it.

2246. Do you know of his having been in the trade since that time?

He told me that he went to Memphis and stayed there two or three weeks looking over the ground, but came away without operating, not having any permit, as I understood, that would answer his purpose at all.

2247. Do you know of any transaction in which T. C. Durant was engaged?

None whatever, except that I heard he was trading. It was only hearsay. I never had any conversation with him.

2248. Have you ever had any conversation with anybody who pretended to be connected with Durant?

I do not know as I have ; it has been general conversation.

2249. Did you have any conversation with R. W. Latham?

I think Mr. Latham said to me once that if he or some parties could get a permit, Durant would furnish funds to purchase the cotton, or something to that effect. It was a mere general conversation, in which I had no interest.

2250. For what purpose did Latham come to you?

I do not know that he came for that purpose ; he was frequently in my office.

2251. What connexion did he have with Mr. Haskell?

I think he brought Haskell to me, and wished to know if I could serve him in any way in respect to the cotton he had somewhere down the Mississippi.

2252. In what way did he want you to serve Mr. Haskell?

My understanding was simply to introduce him to those who knew how the thing was to be done or who had the authority to do it.

2253. What was done?

I did not do anything. I told him that Mr. Martin was here from New York, where Haskell lived ; that he was trying to get out cotton, and I referred him to him.

2254. What proposition did Mr. Latham make to you in behalf of Haskell?

None that I know of. None to me.

2256. Upon what considerations was this thing based?

No considerations, so far as I was concerned. No talk of contracts or arrangements.

2256. Have you had any conversation or connexion with any other persons in regard to this matter of cotton?

None, only in general conversation.

2257. Was your influence ever sought by any other person or persons?

I do not know that I can say it was. I have had general conversations with a great many people about cotton, with persons who were asking me about it. My brother-in-law was wanting to know if I could assist him with a permit within the last month.

2258. Who is your brother-in-law?

G. W. Harding, from Illinois. He was here, and that was a part of his business.

2259. Did he get anything?

Nothing whatever. I did not even introduce him to any other parties. I was not willing to meddle with it at all, so far as I was concerned. I saw no opportunity of doing any good, and nothing was done.

2260. What were the considerations for which your old partner was to be let into the Choteau contract?

They never had any bargain. He was accustomed to go down into that part of the country, and if they could have had proper facilities for getting out cotton I have no doubt he could have done a good deal.

2261. Did Choteau ever know your old partner?

Yes.

2262. What was his name?

Kile. Mr. Choteau had been at my house, where I lived when I was in partnership with Mr. Kile.

2263. Was Mr. Kile to have paid in any money?

No, he had not a great deal of money. Mr. Choteau had. He was going down there for some interest, which was never disclosed so far as I know, but no permits were ever granted that they were willing to operate under.

2264. What do you know in relation to any other permits granted or contracts made?

I think I did know of one made with a Mr. Allen, of Indiana. I only know that he told me he had a contract to get out cotton. He is an old acquaintance of mine, who is frequently in my office. I have no information about it whatever.

2265. What do you know of a contract made with Mr. Swett and Mr. Lamont?

I did not know they had one. I did not know they were in cotton. I never saw or talked with either of them about it.

2266. Was your influence used in this matter of Durant through Swett or in any way other than you have spoken of?

Never in any way whatever. It never was exercised in the least in any way possible. From my talks with the President and with Mr. Risley, I came to the conclusion that no advantages could be had by anybody beyond what the law allowed, and therefore influence was only valuable in bringing men to Mr. Risley, that they might know how to go to work. None was ever asked of me certainly.

2267. Do you state that you never had any interest either direct or indirect, and never expected to have any interest, in any cotton transaction whatever?

No, sir, never in any way whatever.

FRIDAY, February 24, 1865.

Members present:

Senator.
Mr. MORRILL, Chairman.

Representatives.
Mr. WASHBURN.
LONGYEAR.

ROBINSON PREMONT called, sworn, and examined.

By Mr. Washburne:

2268. State your residence and business.

I reside in Elizabeth City, North Carolina. I am by profession a physician.

2269. Is Elizabeth City at present within the rebel lines?

No, it is within the federal lines.

2270. How long has it been in our lines?

Ever since the 10th of February, 1862. There was a naval engagement or fight there at that time.

2271. How lately have you been in Elizabeth City?

I left there on the 14th of January last.

2272. Have you been there since

No.

2273. Do you know whether our troops were stationed there?

No; there were none there.

2274. Were there any rebel troops there?

No; they have never had any troops there, except at the time of this engagement; the 3d Georgia regiment were then stationed all along the road.

2275. Where have you been since you left there?

I have been in Norfolk a good deal; I have been in Washington city for a time, and I went to New York for a time.

2276. What business have you been in?

I have been collecting claims for some persons, and I went to get some medicines and surgical instruments. My house was burnt down in Elizabeth City because of my Union sentiments.

2277. Have you ever been in trade with the rebellious States?

No, sir, never.

2278. Have you any knowledge of the manner in which this trade is carried on?

So far as our vicinity is concerned I do not know that there has been any. Permission has been granted by the military authorities at Norfolk for a trade-store, and occasionally a lot of goods would go out, but so great was the demand for them that they would all be bought up in a day or two.

2279. What do you know of the goods sent out?

They were scattered all over the district.

2280. Do you know of any trade being carried on directly with the rebel agents?

I do not.

2281. As far as you have been able to judge from your own observation, what has been the effect of the trade carried on between Norfolk and your section of the country?

The effect of the trade has been to conciliate the people and strengthen the Union cause throughout the whole district. It has had the effect of disbanding the guerillas, of making the people much more loyal and better satisfied, and desirous of having something like government and the administration of laws for their protection.

2282. Under whose administration was this commenced?

Under that of General Shepley.

2283. Do you know what rules he was governed by in permitting this trade to be carried on?

It was the understanding and agreement between the parties that the goods were not to go in any manner, shape, or form for the aid of the rebel cause, but that they were to be for the use of the people living this side of the Chowan river.

2284. What do you know about General Shepley authorizing goods to be taken out?

Whenever anybody applied for permission to carry goods, if it was a reasonable demand, it was always granted. If any person applied for articles contraband of war he always refused.

2285. Do you know of any other military commander granting permits? and if so, state the character of them.

The largest amounts I have ever known to be carried out were by parties who told me they got their permits from General Butler.

2286. Who were the parties who carried out these large amounts?

A Mr. Kennedy was one of the parties. The goods were brought to Elizabeth, and then retailed out.

Were they brought there to a very large amount?

At different times I suppose to the amount of \$25,000 or \$30,000.

2287. Do you know of any other parties who got permits from General Butler?

I think there were, perhaps, half a dozen persons who were interested in the goods brought out there about the 1st of January, amounting to \$25,000 or \$30,000. They said they got their permits from General Butler.

MONDAY, February 27, 1865.

Members present :

Representatives.

Mr. WASHBURNE,

PERRY,

Representatives.

Mr. LONGYEAR.

HANSON A. RISLEY recalled and examined.

By Mr. Washburne :

2288. Since your last examination have you made any other or further contracts for getting out cotton?

There have been one or two given in Virginia. My instructions from the Secretary were to stop making contracts, except for products to be delivered at Norfolk.

2289. With whom were these contracts made, and for what purpose?

One was with a man, whose name I do not now remember, who was brought to me by Dr. Stevenson, former librarian of Congress. It was for tobacco.

2290. For how large an amount of tobacco?

I cannot give you the amount: the contract was prepared by my clerk. Dr. Stevenson brought a list of so many boxes of one kind, and so many of another kind, which was handed over to Mr. Green, a clerk, to make out the contract. I think it was signed about Thursday last.

2291. Did you have the order of the President attached to it?

No executive order was attached to these contracts. They were under the general regulations and executive order of September 24.

2292. Did I understand you correctly the other day to state in your testimony that these executive orders were exceptional, that they did not come within the general rule?

They were granted during the suspension of the general order. When the general executive order was signed by the President he directed that it be not published or acted upon until the Secretaries of War and the Navy should respectively make orders for carrying the President's order into effect: and these orders, in individual cases, were granted for the purpose of enabling parties to act, in the mean time, under the regulations. The first given were on the coast where there were no military movements to be affected and there was no military objection. Afterward parties claimed that they could do better with the autograph of the President, that the general orders had been so much delayed and questioned in one way and another, they could not do as well under them as with the autograph order of the President.

2293. Were not these executive orders intended and expected to give especial advantages to the parties who obtained them?

They were intended to aid these parties in executing their contracts for delivery of products to government agents.

2294. Did they not suppose that they would give an advantage over parties who had not an executive order?

I did not suppose anybody was doing anything of consequence without these special orders.

2295. How many were given in all?

Between forty and fifty, I think.

2296. Did all the parties named in the printed list contained in this Senate document have the executive order attached to these certificates?

Most of them did, but I think not all.

2297. Can you state further in regard to the amount of moneys made by the government under these contracts?

"The government will realize, up to this time, on products from the insurrectionary States under the last law and regulations, about \$1,000,000. This is an estimate based on official reports and information. The amount of cotton embraced in my contracts with various parties is 930,485 bales. At \$1 30 per pound, about the market value at date of contracts, estimating the weight at 450 pounds each bale, the cotton contracted for by me would amount to \$544,333,725.

Profit to the government.

Internal revenue tax, 2 cents per pound.....	\$8,374,365
Permit fees, 4 cents per pound.....	16,748,730
One-fourth net proceeds to be paid to United States.....	
Estimate expenses, taxes, &c., at 20 cents per pound.....	108,866,745
	<hr/>
	133,989,840

Beside the incalculable benefits of throwing so large a quantity of cotton upon markets in loyal States.

2298. You have made your estimate on the basis of cotton at \$1 30 a pound. What is cotton worth now in New York?

I noticed, two or three days ago, it sold for about eighty cents a pound. It has fallen about fifty cents a pound.

2299. If you have made contracts for this amount, paying three-fourths of its value in New York, at \$1 30 a pound, how much would the government make in selling it now at eighty cents a pound?

I have not made any such contracts. I agree to receive cotton and sell it in New York. I take out the taxes, fees, and expenses, and then, from the net proceeds, retain one-quarter for the government and give three-quarters to the parties selling. That is my written

contract in every case. If I had purchased at the first price you name and sold at the last, there would have been a loss.

2300. Do not your contracts require you to pay not exceeding three-fourths the value in New York?

That is the limitation in the printed regulations; but agents were instructed to under-estimate and calculate for a falling market.

2301. If you had made your contracts in accordance with these regulations, purchasing at \$1 30 and selling at the present price of eighty cents, what would have been lost to the government?

If I had paid three-quarters of \$1 80 and sold at present rates, there would have been a loss of fifteen or twenty cents a pound; but I have made no such contracts, and the regulations did not require such.

2302. Have you in every instance contracted to pay the three-fourths market price after the cotton was sold by the government?

In every single instance I have agreed to pay three-fourths of the net proceeds after deducting expenses, taxes, &c.

2303. Have you not contracted to pay a portion of the money at the time and place of purchase?

I have not until after sale of products.

2304. Then have you not departed from these regulations?

I am acting under the regulations, and a letter of instructions dated subsequently to the regulations.

2305. Will you furnish a copy of that letter of instructions?

I can furnish it. The instructions referred to are as follows:

"TREASURY DEPARTMENT, *October 10, 1864.*

"SIR: Under the authority of the 8th section of the act of Congress approved July 2, 1864, entitled "An act in addition to the several acts concerning commercial intercourse between loyal and insurrectionary States," &c., and with the approval of the President, I hereby appoint you an agent to purchase for the United States any products of States declared in insurrection that may be offered to you in ———, to the extent and under the conditions and restrictions hereinafter stated.

"The 8th section of the act referred to limits the maximum to be paid for any products to 'the market value thereof at the place of delivery, and not exceeding three-fourths of the market value thereof in the city of New York, at the latest quotations known to the agent purchasing.'

"Notwithstanding this permissive maximum in the law it is expected that all purchases made by you will be on the most favorable terms for the government, and that you will so conduct your operations as to induce the greatest possible amount of products to be brought to market.

"The principal and most desirable of these products is cotton, to the purchase of which you will give special attention, and you are authorized to purchase other products only so far as may be necessary in special cases, when the bringing to market of any cotton may be dependent upon or facilitated by such purchase.

"Before making any purchase you will make inquiry and examination to satisfy yourself that none of the products offered are abandoned or captured, under the acts of March 12, 1863, or July 2, 1864. If any is proven to your satisfaction to be such, you will turn it over to the supervising special agent to be treated accordingly.

"The law contemplates that 25 per cent. of the net proceeds of final sales shall inure to the United States.

"In the fluctuations in the market rates of cotton any fixed price to be named by you might defeat the objects of the law, and therefore you will stipulate to pay the parties selling three-fourths of the net proceeds of the sales as made at Cincinnati or New York, as the case may be, after such cotton shall have been transported and sold. You are, however, permitted to authorize an advance of $33\frac{1}{3}$ per cent. of the market value at New York, according to the latest quotations known to you.

"Against the cotton purchased by you, you will charge the internal revenue tax of two cents per pound and all expenses that may have been incurred by you in connexion therewith, advising the consignee of such cotton of the amount of any advance made by the government, and of such charges, specifying each in detail, so that the officer making the sale and accounting therefor shall previously pay into the treasury, to the credit of the proper accounts, such advances and the taxes and fees, and charge against the proceeds the expenses so incurred.

"When returns of sales showing the amount of the net proceeds shall have been received by you, three-quarters thereof, or such an amount added to any advance which may have been made by the disbursing officer, as shall be equal to three-quarters thereof, may be paid

by draft of the disbursing agent upon the proper officer in favor of the person or party of whom the cotton was purchased.

"Cases may be presented, or circumstances may occur, where, from the small quantity offered, or other cause, it will be necessary or expedient to make a purchase for a stipulated sum, and forthwith close the transaction.

"In such cases you will confer with the disbursing agent and surveyor of customs, and determine upon a price to be paid that shall in no case exceed the market value at ———— on the day of purchase, nor to exceed three-fourths of the market value in the city of New York at the latest quotations known to you at the date of the delivery of the products, Regulation IV, less the internal revenue tax of two cents per pound and the fee of four cents per pound prescribed by Regulation XLVI, series of July 29, 1864, and also less such a sum per pound of cotton as will cover the actual expense of handling, storing, insurance, and transporting of such cotton from ———— to the place of shipment, whether it be Cincinnati or New York, together with the cost of handling, storing, and all expenses at said place, including the usual allowance for commission on sales; the object being in all cases to make such deductions from the price paid as will cover all expenses incurred and to be incurred by the government, and leave twenty-five per cent. of the value of the product as net profit.

"The sum so to be deducted must be fixed after consultation with the surveyor and disbursing agent at ————, and must apply to all cotton equally during the period that shall, from time to time, be determined upon by yourself in connexion with the officers referred to.

"In your record of purchases you will enter against each purchase both the "market value" and latest New York quotations

"Proper instructions will be given to have transmitted to you regularly, and as often as possible, the regular New York quotations, and you will cause a complete file of them to be kept in your office, having noted upon the face of each the date of its receipt.

"On the delivery of any cotton to be purchased, you will cause it to be examined, rated or or classed, and weighed, as prescribed by the Regulations; and you will pursue the same course substantially in regard to any other products purchased by you under these instructions.

"For all purchases made by you, and for all expenses incurred by your authority, you will require invoices and bills in triplicate, which must be certified before payment as prescribed by the Regulations.

"Of the products purchased by you, you will promptly ship to ———— such proportion as in your judgment will be required to supply that market, or as can be sold there on as good terms as in New York, consigned to the agent who may be authorized to sell products for the government there; and the balance you will ship directly to New York, consigned to the agent who may be authorized to sell there. You will be advised of the appointment of such agents, and will exercise your discretion as to the quantity to be shipped to each; and on all products so shipped to either place you will effect insurance, and will take triplicate bills of lading, which shall fully show the number of bales or parcels so shipped, the marks or designs on each, and the weight and quality or rate of contents. One of these you will retain, one will be sent to the Secretary immediately, and one to the consignee.

"By reference to the regulations concerning the purchase of products on government account, a copy of which is transmitted herewith, you will perceive that all products arriving at ————, except the classes named in Regulation XV, must be consigned and delivered to you, or where that is not done will be taken possession of by you.

"Should the holders of any property produced or being transported, as named in Regulation XV, desire to dispose of it to you, in conformity with the provisions of the act of July 2, 1864, you will purchase it, except that which may have been captured or abandoned, and treat it every way as other property brought and sold to you as above described.

"You will be governed by the regulations prescribed for conducting purchases and sales of products of insurrectionary States.

"In case of sales under Regulation XIV, the proceeds will be paid to the disbursing agent at Nashville, to go to the credit of the "purchasing fund."

"For the purpose of fixing a value of products upon which to base your certificate of purchase, provided for in Regulation IX, in cases where the purchase price is to be fixed and paid at Cincinnati or New York, in order to enable sellers to take back in merchandise one-third the value thereof, permitted by the military authorities, under the executive order, you will estimate the value at a sum not more than the market price in ———— on the day of purchase or three-fourths the market value in New York by the latest quotations known to you, less ten cents per pound to cover fees, taxes, and expenses.

"You are expected to act in harmony with the several officers of this department in ————, and, so far as may be necessary, will confer freely with the surveyor of customs and the supervising special agent of the first agency in relation to any duties devolved upon you in connexion with which their official acts may be necessary.

" You will report from time to time, as often as every week, in relation to the working of the system under which you are acting, and will suggest such changes, or additional regulations, as in your judgment will promote the objects contemplated and secure the public interest.

" W. P. FESSENDEN,

" *Secretary of the Treasury.*

" TREASURY DEPARTMENT,

" *October 31, 1864.*

" SIR: You are familiar with the act of Congress, the ninth section of which provides that the Secretary of the Treasury may, with the approval of the President, authorize agents to purchase for the United States products of States declared in insurrection, at such places therein as shall be designated by him; and you are also familiar with the regulations prescribed by me, with the approval of the President, for carrying said provisions into effect, and with the instructions to the several agents appointed, a copy of which regulations and letters of instruction is herewith transmitted.

" Under the provisions of the said act, and in pursuance of said regulations, and of said instructions so far as applicable, you are authorized to purchase for the United States, at Norfolk, Virginia, any products of States declared in insurrection, that may be offered for sale, and to give the authorized certificates provided for in said regulations, and to sell the products so purchased, at the place of delivery, or at Baltimore or New York, as in your judgment may be most expedient; such sales to be at public auction, after the usual notice, except when made under Regulation XIV, to the person selling you the products.

" The close proximity of Norfolk to the places of sale justifies the conclusion that no funds need be advanced to you by the government. You will, therefore, in no case incur any liabilities on account of the United States, further than to stipulate that the proper proportion of the proceeds of sales shall be promptly paid over to the parties entitled to receive them; you will thus be enabled to secure to the United States the taxes, fees, and percentage of advance realized by the sale over the stipulated price to be paid for such products, which in all cases must be equal to twenty-five per cent. of the proceeds, after deducting all charges, including proper commissions usual in commercial transactions, such commissions in all cases to be charged against the products sold.

" All moneys received after deducting therefrom all expenses of sales, freight, commissions, storage, and other charges for transportation, insurance, if any, and handling of products, of which you will keep accurate account, must be paid into the treasury to the credit of the Treasurer of the United States, specifying the source whence received.

" W. P. FESSENDEN,

" *Secretary of the Treasury.*

" H. A. RISLEY, Esq.,

" *Superintendent, Special Agent Treasury Department, Seventh Special Agency.*"

2306. Did you have one form mostly for these contracts?

I had no printed form, but they were intended to be substantially alike. The first contracts were written by myself, and the others were generally made up by Mr. Conatty and others in my room; patterns of the others I had made. There is very little variation in any of them.

2307. In relation to the contract with one Samuel Noble, about which you have already testified, did I understand you correctly to say that you had no knowledge, belief, or information whatever as to who his associates were?

No, I had not at all. I did not know that he had talked with anybody about it excepting Mr. Quintard.

2308. Were there any persons with Mr. Noble when he applied to you?

Ward Lamson was there, I think. I think he came there with him. I am not sure. If he did, I do not believe he remained in the room, and I do not remember seeing him afterwards.

2309. Was Mr. Noble introduced to you by Mr. Lamson?

I am not sure that he was. I think Mr. Lamson was there about the time he first came.

2310. What information did Mr. Lamson give you about him?

My recollection now is that Mr. Lamson came to me and said, "Here is a gentleman from Georgia," and at the same time handed me this card from the President. I do not remember Mr. Lamson being present afterwards. This was in New York.

2311. Did Mr. Lamson have the card, or Mr. Noble?

That I do not remember; it was handed me by one of them.

2312. What was the card of the President to which you refer?

I have it here. It is simply, "Mr. Risley, please see Mr. Noble, of Georgia. January 4, 1865." I think Mr. Noble handed me the card.

2313. Did you get the impression that Mr. Lamson was interested in the transaction?

I did not. It made so little impression that I did not even remember in my former examination that Mr. Lamson was there.

2314. Are you certain that there were no other person or persons with Mr. Noble at the time he came to see you?

I am quite certain of that.

2315. You spoke of a suspension in the making of contracts at this time; does that extend to all the agents?

I do not think any instructions have been sent to the other agents.

2316. Then do you understand that all the other agents except yourself are authorized at the present time to make contracts?

I doubt whether any of the others have made such contracts as I made.

2317. Do you know what kind of contracts the other agents made?

No, I do not. I have never seen a written contract made by any of them. I have seen certificates, just the certificate provided for by regulations. I am inclined to think that they make only verbal contracts, and then issue the certificate required in the regulations. The first writing about it is, perhaps, the application signed by the party, and then the certificate is given.

2318. According to that the obligations of the parties to the government and of the government to the parties rest only in parol agreements?

In parol agreements and the regulations and the recitals in the certificate. The regulations limit the price to be paid. The certificate given to the party and held by him would bind him to the terms of the regulations and to stipulations recited in the certificate. I do not think they make other written contracts.

2319. Have you in every instance made written contracts?

I have in every instance where I have done the business myself. Some of the purchases made in Norfolk by Mr. Farrington, acting for me, have not been in writing. They were for small parcels of cotton.

2320. How is it possible to protect the interests of the government, or to have any knowledge of what the contracts are, unless they are made in writing?

The regulations prescribe the conditions upon which the agent can purchase. In my own case, written contracts were made for my own protection. I thought I was making them very secure for the government, and in a manner to avoid all misunderstanding. My intention was to protect the government against loss under any circumstances.

By Mr. Perry:

2331. Would there not be difficulty in enforcing a contract, not in writing, against a party?

No; the government pays nothing until the cotton or other products have been delivered. When they are delivered government sells them, and the party receives his proportion of the proceeds. I do not see any difficulty in it.

2322. Is there not danger of great frauds being committed in the absence of written contracts?

I do not see how; it is all under the regulations and under the control of the government.

By Mr. Washburne:

2323. Does not this fourth regulation require, where for instance cotton was delivered in New Orleans, that the agent shall pay to him an amount not exceeding three-fourths its market value in New York city by the most recent quotations?

It limits the agent from going beyond that, but the instructions have been not to pay until the cotton has been sold, only to make limited advances.

2324. Do you know whether the other agents follow these instructions?

As soon as it was ascertained that loss might accrue from a falling market, instructions were issued to all the agents to provide against that.

2325. Do these agents act independently of each other, and are they all equal in authority and position?

They act independently. My instructions were to act under the law and regulations, and the instructions issued to other agents, so far as applicable to my situation. Being in the department, and in constant consultation with the Secretary and Assistant Secretary, I have acted more independently than others, perhaps, but we are all on a par in respect to authority.

2326. Do you know of any other alterations in contracts, or certificates, or executive orders than those to which you have testified in this committee?

No. I do not know of any others. In some of my contracts there has been an extension of the time of delivery; for instance, where a party was to deliver products by the

1st of March it has been extended to the first of July—something of that sort. No other changes in executive orders have been made.

2327. Has there been anything done since you last testified in relation to these alterations?

Mr. Conatty, I stated, had surrendered his contract. He does not propose to take out 50,000 bales. He proposes, if he does anything, to get the contract renewed for 15,000. Since my last examination, I addressed a letter to the President, stating the charges made in the contracts in terms and effect in his orders, and asking his approval of the same, which I now submit to the committee.

“TREASURY DEPARTMENT,
“Washington, D. C., February 21, 1865.

“The PRESIDENT: I beg respectfully to state that the contract made with D. P. Moore, T. J. Conatty, and William Helmick, by me for purchase on government account of 15,000 bales of cotton, product of the insurrectionary States, was, by my consent, increased to 50,000 bales. Another contract with B. H. Brooks, B. F. Camp, and A. H. Lazare was, before execution, changed by consent of the parties by erasing the name of Lazare and inserting that of Henri Lovie. In some few other contracts the time for delivery of the products has been extended, and in one or two cases there has been a change as to place of purchase or delivery. In no case has there been incurred any liability on behalf of the government, and in all the cases the changes have been made in the hope of increasing the quantity of products to be raised.

“These changes in my contracts made necessary corresponding changes, in terms or effect, in the orders made in the several cases by you, and I respectfully ask your approval of the same.

“With sentiments of respect, your obedient servant,

“H. A. RISLEY,
“Superintendent, Special Agent, &c.

“Approved February 24, 1865.

“A LINCOLN.”

JOURNAL.

HOUSE OF REPRESENTATIVES,
Room Committee on Commerce, January 24, 1865.

Committee met. Present :

Mr. WASHBURNE, chairman.
• ELIOT,
DIXON,

Mr. PERRY,
O'NEIL,
LONGYEAR.

The chairman laid before the committee the following resolution of the House

“CONGRESS OF THE UNITED STATES.

“38TH CONGRESS, 2D SESSION.

“IN THE HOUSE OF REPRESENTATIVES,
“January 20, 1865.

“Mr Driggs submitted the following, which was agreed to :

“Whereas it is reported that one G. W. Lane, of Baltimore, received a permit in December last, from H. A. Risley, chief agent of the treasury, to proceed to North Carolina and exchange provisions with the rebels for cotton: therefore,

“*Resolved*, That the Committee on Commerce be instructed to inquire into the alleged facts, and to report to this House whether there is any authority vested in the Treasury Department to give the right to any one to furnish the rebels with supplies from our lines ; and if not, to report such a bill or resolution as may be necessary to bring the guilty to justice and to protect the interests of the government in the future, or to take such other action as may be deemed proper to secure the object in view ; and that the committee have power to send for persons and papers.

“Attest :

“E. McPHERSON, *Clerk.*”

On motion of Mr. Eliot,

Ordered, That a sub-committee of five, of which the chairman of this committee shall be chairman, be appointed by the Chair for the purposes of this investigation.

The chairman appointed as such sub-committee Mr. Eliot, Mr. Perry, Mr. Longyear, and Mr. Ward, making the committee to consist as follows :

Mr. WASHBURNE,
ELIOT,
PERRY,

Mr. LONGYEAR,
WARD.

Ordered, That H. G. V. Fox, Assistant Secretary of the Navy, be summoned before the committee to-morrow at 10 o'clock a. m., at the room of the Committee on Commerce.

WEDNESDAY MORNING, *January 25, 1865.*

Sub-committee met—present all the members.

John W. Hogg appeared and was examined as a witness.

Ordered, That the chairman report to the House the following resolution and ask for its adoption :

Resolved, That the Committee on Commerce, to whom was referred the resolution of the House of Representatives of the 20th instant, directing the said committee to inquire into the matter of a permit granted by the chief agent of the Treasury Department to G. W. Lane, of Baltimore, to proceed to North Carolina and exchange provisions with the rebels for cotton, are hereby further

directed to inquire into all the facts and circumstances connected with the trade with the rebellious States since the breaking out of the rebellion, either by permit from the Treasury Department or otherwise; that the said committee have leave to sit during the sessions of the House and to report at any time; and that the Clerk of the House be directed to pay all the expenses of the said committee out of the contingent fund of the House, on the certificate of the chairman.

Adjourned until call of chairman.

SATURDAY, *January 28, 1865.*

Committee met. Present :

Mr. WASHBURNE, chairman.
ELIOT,
WARD,

Mr. PERRY,
LONGYEAR.

The chairman laid before the committee the following resolution of the House :

“ CONGRESS OF THE UNITED STATES.

“ 33TH CONGRESS, 2D SESSION.

“ IN THE HOUSE OF REPRESENTATIVES,
“ *January 25, 1865.*

“ On motion of Mr. E. B. Washburne,

“ *Resolved*, That the Committee on Commerce, to whom was referred the resolution of the House of Representatives of the 20th instant, directing the said committee to inquire into the matter of a permit granted by the chief agent of the Treasury Department to G. W. Lane, of Baltimore, to proceed to North Carolina and exchange provisions with the rebels for cotton, are hereby directed further to inquire into all the facts and circumstances connected with the trade with the rebellious States since the breaking out of the rebellion, either by permit from the Treasury Department or otherwise; that the said committee have leave to sit during the sessions of the House, and to report at any time; and that the Clerk of the House be directed to pay all the expenses of the said committee out of the contingent fund of the House, on the certificate of the chairman.

“ Attest :

“ E. McPHERSON, *Clerk.*”

John W. Hogg was recalled and examined.

Charles Gould and Jacob W. Brown appeared and were examined.

Adjourned until Tuesday next, at 10 o'clock a. m.

TUESDAY, *January 31, 1865.*

Committee met. Present :

Mr. WASHBURNE, chairman.
WARD,
LONGYEAR,

Mr. ELIOT,
PERRY.

Messrs. J. H. Maddox, John R. Winslow, W. H. Marston, and Thomas J. Conatty, appeared and were examined as witnesses.

Adjourned until to-morrow, at 10 o'clock a. m.

WEDNESDAY, *February 1, 1865.*

Committee met. Present :

Mr. WASABURNE, chairman.
WARD,
PERRY,

Mr. ELIOT,
LONGYEAR.

The examination of Thomas J. Conatty was resumed and concluded.

Noah L. Wilson, James L. McPhail, and Leonidas Haskell, appeared and were examined as witnesses.

Adjourned until to-morrow, at 10½ a. m.

THURSDAY, *February 2, 1865*

Committee met. Present:

Mr. WASHBURNE, chairman.
WARD,
PERRY,Mr. ELIOT,
LONGYEAR.

Captain Alexander M. Pennock, U. S. N., and Colonel John Eaton, jr., U. S. C. T., appeared and were examined as witnesses.

Adjourned until to-morrow, at 10½ a. m.

FRIDAY, *February 3, 1865.*

Committee met. Present:

Mr. WASHBURNE, chairman.
WARD,
PERRY,Mr. ELIOT,
LONGYEAR.

Edwards Pierrepont appeared and was examined as a witness.

Adjourned until Monday next at 10 o'clock a. m.

MONDAY, *February 6, 1865.*

Committee met. Present:

Mr. WASHBURNE, chairman.
WARD,
PERRY,Mr. ELIOT,
LONGYEAR.

Hon. Thomas Corwin appeared and was examined as a witness.

The chairman was directed to report a concurrent resolution to the House, providing that the Committee on Commerce on the part of the Senate be joined to this committee for the purposes of this investigation.

Adjourned until to-morrow, at 10 a. m.

TUESDAY, *February 7, 1865.*

Committee met. Present:

Mr. WASHBURNE, chairman.
WARD,
PERRY,Mr. ELIOT,
LONGYEAR.

Thomas J. Conatty was recalled and examined as a witness.

John W. Finnell appeared and was also examined.

Adjourned until to-morrow at 10 a. m.

WEDNESDAY, *February 8, 1865.*

The joint committee met in pursuance of the following concurrent resolution of the two houses of Congress, which was received and ordered to be recorded on the journal:

"CONGRESS OF THE UNITED STATES.

"38TH CONGRESS, 2D SESSION.

"IN THE HOUSE OF REPRESENTATIVES,

"February 6, 1865.

"Resolved, (the Senate concurring,) That the Committee on Commerce on the part of the Senate be joined to the Committee on Commerce on the part of the House in the inves-

tigations in which said Committee on Commerce on the part of the House are now engaged, under resolutions of the House of January 20, 1865, and January 25, 1865, in regard to trade with the States in rebellion, to constitute a joint committee for the purpose of completing said investigation, and that the said joint committee have the same powers as the Committee on Commerce of the House now have on the subject of said investigation.

“ Attest :

“ ED. McPHERSON.

“ IN THE SENATE OF THE UNITED STATES,

“ February 6, 1865.

“ Resolved, That the Senate concur in the foregoing resolution.

“ Attest :

“ J. W. FORNEY, *Secretary*.

“ By W. HICKEY, *Chief Clerk*.”

Present :

Senators.

Mr. MORRILL,
MORGAN.

Representatives.

Mr. WASHBURNE,
ELIOT,
WARD,
LONGYEAR,
PERRY.

Ordered, That the chairman of the committee on the part of the Senate be the chairman of the joint committee.

Benjamin F. Camp, Peter E. Bland, and Charles K. Hawks appeared and were examined as witnesses.

Adjourned until to-morrow, at 10 a. m.

THURSDAY, February 9, 1865.

Joint committee met. Present :

Senator.

Mr. MORRILL, chairman.

Representatives.

Mr. WASHBURNE,
ELIOT,
WARD,
LONGYEAR,
PERRY.

Thomas C. Durant and Oscar H. Burbridge appeared and were examined as witnesses.

Adjourned until to-morrow, at 10 a. m.

FRIDAY, February 10, 1865.

Joint committee met. Present :

Senators.

Mr. MORRILL, chairman.
SPRAGUE,
MORGAN.

Representatives.

Mr. WASHBURNE,
ELIOT,
PERRY.

Thomas C. Durant was recalled and examined as a witness.

E. W. Barker and John H. Morse appeared and were also examined.

Adjourned until to-morrow, at 10 a. m.

SATURDAY, *February* 11, 1865.

Joint committee met. Present :

Senator.
Mr. MORGAN.

Representatives.
Mr. WASHBURNE,
ELIOT,
LONGYEAR,
PERRY.

John H. Morse appeared, and his examination was resumed and concluded.
James F. Casey also appeared and was examined as a witness.

Adjourned to meet in Fortress Monroe, or Norfolk, Virginia, on call of chairman.

MONDAY, *February* 13, 1865.

Joint committee met in the city of Norfolk, Virginia. Present :

Representative.
Mr. WASHBURNE,

Representative.
Mr. PERRY.

General George H. Gordon, James G. Halliday, Thomas J. Hobday, G. W. Singleton, John T. Daniels, William G. Harrison, and Jonathan Dickinson appeared, and were examined as witnesses.

Adjourned until to-morrow, at 10 o'clock a. m.

TUESDAY, *February* 14, 1865.

Joint committee met. Present :

Representative.
Mr. WASHBURNE,

Representative.
Mr. PERRY.

Major J. Lewis Stackpole, Logan Hurst, and George W. Lane appeared and were examined as witnesses.

General George H. Gordon was recalled and also examined.

Adjourned to meet in Washington city on call of chairman.

SATURDAY, *February* 18, 1865.

Joint committee met at the Capitol, Washington, D. C. Present :

Representatives.
Mr. WASHBURNE,
LONGYEAR.

Representative.
Mr. ELIOT.

Hanson A. Risley appeared and was examined as a witness.

Adjourned until Monday next, at 9 o'clock a. m.

MONDAY, *February* 20, 1865.

Joint committee met. Present :

Representatives.
Mr. WASHBURNE,
LONGYEAR.

Representative.
Mr. ELIOT.

Hanson A. Risley appeared, and his examination was continued.

George W. Quintard, L. C. Baker, and Charles A. Dana appeared and were examined as witnesses.

Adjourned until to-morrow, at 10 a. m.

TUESDAY, *February* 21, 1865.

Joint committee met. Present :

Representatives.
Mr. WASHBURNE.

Representatives.
Mr. LONGYEAR.

Leonidas Haskell was recalled and examined as a witness.

William P. Dole also appeared and was examined as a witness.

Adjourned until Friday, February 24, 1865, at 9 a. m.

FRIDAY, *February* 24, 1865.

Joint committee met. Present :

Senator.

Mr. MORRILL, chairman.

Representatives.

Mr. WASHBURNE,
LONGYEAR.

Robinson Piemont appeared and was examined as a witness.

Adjourned until February 27, 1865, at 9 a. m.

MONDAY, *February* 27, 1865.

Joint committee met. Present :

Representative.

Mr. WASHBURNE.

Representative.

Mr. LONGYEAR.

Hanson A. Risley was recalled and examined as a witness.

Adjourned until call of chairman.

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